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Foreign
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THE HEMISPHERE
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Foreign Relations
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1943

Volume IV
The Near East and Africa



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PREFACE

This volume was prepared under the direct supervision of E. Ralph Perkins, who retired as Chief of the Foreign Relations Division on December 30, 1963. The compilers of the volume were Ralph R. Goodwin, Laurence Evans, and a former member of the Division, Francis C. Prescott. Assistance in compiling the volume was also provided by Herbert A. Fine.

The Division of Publishing Services (Jerome H. Perlmutter, Chief) was responsible for the technical editing of this volume and the preparation of the index. These functions were performed in the Foreign Relations Section under the direct supervision of Elizabeth A. Vary, Chief, and Ouida J. Ward, Assistant Chief.

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

JANUARY 15, 1964.

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 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 current regulation is printed below:

1350 DOCUMENTARY RECORD OF AMERICAN DIPLOMACY

1351 *Scope of Documentation*

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

1352 Editorial Preparation

The basic documentary diplomatic record to be printed in *Foreign Relations of the United States, Diplomatic Papers*, shall be edited by the Historical Office, Bureau of Public Affairs of the Department of State. The editing of the record shall be guided by the principles of historical objectivity. There shall 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 shall 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, Diplomatic Papers*, the Historical Office shall:

- a. Refer to the appropriate policy offices of the Department and of other agencies of the Government such papers as appear to require policy clearance.
- b. Refer 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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POLICY OF THE UNITED STATES TO DEAL DIRECTLY
WITH INDEPENDENT GOVERNMENTS OF THE NEAR
EAST WITH REGARD TO FURNISHING MILITARY
SUPPLIES

800.24/5-2543

*The Secretary of State to Admiral William D. Leahy, Chief of Staff
to the Commander in Chief of the Army and Navy*

WASHINGTON, May 25, 1943.

MY DEAR ADMIRAL LEAHY: I refer to your letter of April 29, 1943,¹ explaining why it is not possible to furnish the Department with copies of the volumes containing the minutes and papers of the Joint and Combined Chiefs of Staff in connection with the Casablanca Conferences.² The reasons for the unavailability of these documents are, of course, readily understood. It is my understanding that at the Casablanca Conferences it was agreed that military equipment for Turkey should be furnished through British channels.³ Recently it has come to our attention that certain British authorities have put forward the contention that a similar agreement has been reached in regard to the supply of military equipment to other independent countries in the Near East. The particular cases that have so far come to our attention are set forth below.

1. You will recall that recently the President found the defense of Saudi Arabia vital to the defense of the United States.⁴ The American Minister at Cairo,⁵ who is also accredited to Saudi Arabia, visited King Ibn Saud a few weeks ago to acquaint him with the President's decision and to discuss lend-lease questions. Subsequently, following the return of the American Minister to Cairo, the British Chargé d'Affaires in Saudi Arabia informed the American Chargé d'Affaires there that the Saudi Arabian Government had inquired of the British authorities whether any objection would be entertained if a request were made to this Government to furnish arms under lend-lease procedure. Declaring that American and British military supplies are pooled, the British Government replied that a request of this kind

¹ Not printed.

² Conference between President Roosevelt and British Prime Minister Churchill, January 14-24, 1943; correspondence relating to this conference is scheduled for publication in a subsequent volume of *Foreign Relations*.

³ For correspondence relating to the decisions taken at the Casablanca Conference, see pp. 1064 ff.

⁴ For correspondence relating to the extension of lend-lease assistance to Saudi Arabia, see pp. 854 ff.

⁵ Alexander C. Kirk.

should be made either through the Saudi Arabian Legation in London or the British Legation at Jidda. In other words, the Saudi Arabian Government, whose primary economic interests are closely related to those of the United States by virtue of a concession granted to an American company to assist in the development of one of the greatest oil reserves in the world, was informed that it could secure American lend-lease military equipment only through the medium of the British authorities.

2. The British Embassy at Cairo has informed the American Legation there of its intention of transmitting a note to the Egyptian Government to the effect that all requests for "warlike and other stores" from abroad, that is, equipment paid for by the Egyptian Ministry of National Defense, should be routed through and procured by the British military authorities, in Egypt. Upon being asked by the British Embassy to transmit a similar note to the Egyptian Government, the American Minister has telegraphed the Department for instructions, pointing out that a great deal of Egyptian military equipment, such as army trucks, is of American origin and emphasizing the desirability of providing Egyptian officials with the opportunity of obtaining American supplies directly from American agencies.⁶

Mr. Kirk has also reported to the Department that Misr Airworks, an Egyptian commercial aviation company engaged primarily in the transportation of military personnel and mail in the Near Eastern area, has expressed its desire to purchase, on a cash basis, two American transport planes in order to maintain its services. In reply to the Department's inquiry as to the availability of two planes for such purpose, an official of the War Department stated:

"Egypt is the British sphere of influence and so any request for planes from U. S. to Egypt will be turned down by the Munitions Assignment Committee (Air) by the British members. The type of plane has no bearing on the question. In order to get the planes desired the Egyptian Government must ask the British for same."

3. The King of Greece⁷ has requested the Minister at Cairo to assist him in obtaining an American station wagon for his personal use. In as much as station wagons cannot be secured at present through ordinary channels, inquiry was made of the War Department as to the possibility of furnishing a military vehicle for the use of the King. In reply, officials of the War Department expressed the view that, while a station wagon would be available for this purpose, it should be provided by the British, rather than American, military authorities.

⁶ For correspondence regarding the policy of the United States with respect to direct requests from the Egyptian Government for aid, see pp. 66 ff.

⁷ George II.

Thus it appears that there is a prevailing impression in some quarters that military and related equipment can be furnished to governments of independent Near Eastern countries only through the medium of the British authorities and that officials of those governments should not approach agencies of this Government directly with respect to such matters.

The Department, however, is not aware that any commitments have been made, apart from special arrangements agreed upon at Casablanca affecting Turkey, recognizing exclusive British responsibility to provide military equipment required by the independent governments of the Near Eastern area. Furthermore, it is considered that it would be highly damaging to American prestige throughout the Arab world and prejudicial to the maintenance of good relations with the countries of that region, and consequently prejudicial to vital American economic interests, to permit this prevailing impression that such commitments have been made to develop into established policy.

The Department proposes, therefore, if you perceive no objections, to take immediate steps to make known to the appropriate agencies of this Government and to the governments of independent Near Eastern countries, except Turkey, that it is the policy of this Government to welcome direct inquiries from officials of those governments regarding the availability of American military supplies to meet their needs and that such supplies will be furnished to them directly if it is feasible to do so. When informing the British Government to this effect, we shall, of course, make it clear that the United States authorities will consult with the British authorities before definite decisions are made with regard to such inquiries.

Sincerely yours,

CORDELL HULL

800.24/6-343

Admiral William D. Leahy, Chief of Staff to the Commander in Chief of the Army and Navy, to the Secretary of State

WASHINGTON, June 3, 1943.

MY DEAR MR. SECRETARY: The Joint Chiefs of Staff are in accord in principle with your proposal, as stated in your letter of 25 May, 1943, with reference to an assignments procedure involving certain countries of the Near East.

It is noted that the Department of State will take immediate steps to make known to the appropriate agencies of the U. S. Government,⁸ the British Government,⁹ and of the governments of independent Near

⁸ The Secretary of War and the Secretary of the Navy were so informed on June 7.

⁹ See *infra*.

Eastern countries ¹⁰ (except Turkey for which country a special exception has been made) that it is the policy of the U. S. Government to welcome direct inquiries from officials of those governments regarding the availability of American military supplies to meet their needs, and that such supplies will be furnished to them if it is feasible to do so.

The assignments of finished munitions, according to established procedure, are made by the Munitions Assignments Board on which there is British representation.

Sincerely yours,

For the Joint Chiefs of Staff:
WILLIAM D. LEAHY

800.24/981 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, June 19, 1943—8 p. m.

3768. The question has arisen whether the supply of military goods to independent countries in the Near Eastern area is a British responsibility and whether the officials of the Governments of those countries should approach American officials directly in regard to such matters. Among other circumstances giving rise to this question the following developments have occurred :

In response to an inquiry from the Saudi Arabian Government whether there would be any British objection to a request to this Government for Lend-Lease arms, the British Chargé d'Affaires at Jidda replied, upon instruction from London, that such a request should be taken up through the British Legation at Jidda or the Saudi Arabian Legation at London. Recently the British Embassy at Cairo informed the American Legation there of its intention to transmit a note to the Egyptian Government stating that requests for "warlike and other stores" from abroad should be made through and acted upon by the British military authorities there and asked the Legation to transmit a similar note to the Egyptian Government.

You should inform the appropriate British authorities that it is the policy of this Government to receive direct inquiries from the appropriate officials of independent Near Eastern countries (except Turkey for which a special exception has been made) regarding the availability of American military supplies to meet their needs, and that such supplies will be furnished to them if it is feasible to do so. In communicating this information to the British authorities you should state that, in accordance with established procedure, finished

¹⁰ Appropriate instructions were sent on June 7 to the Missions at Jidda, Cairo, Baghdad, and Tehran; see telegram No. 22, June 7, 5 p. m., to the Appointed Minister Resident in Saudi Arabia (Moose), p. 871, and telegram No. 746, June 7, 5 p. m., to the Minister in Egypt, p. 71; instructions to Baghdad and Tehran not printed.

munitions are assigned by the Munitions Assignment Board, on which the British are represented.

The Legations at Jidda and Cairo have been instructed ¹¹ (without reference to the special arrangement affecting Turkey) to make this policy known to the British Legation and Embassy respectively in those places and to appropriate Saudi Arabian and Egyptian authorities, as well as to the Greek authorities, if at any time this question should arise with respect to Greece. Baghdad and Tehran also have been advised of this policy in the event that questions relating thereto should arise in Iraq or Iran.

For your confidential information it is stated that Admiral Leahy, on behalf of the Joint Chiefs of Staff, has expressed approval of this policy, and that the War and Navy Departments have been advised thereof.

HULL

800.24/1000 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, July 8, 1943—5 p. m.

[Received July 8—2: 43 p. m.]

4454. Our position with reference to inquiries about the availability of military supplies as outlined in the Department's 3768, June 19, 8 p. m., was presented to the Foreign Office on June 21. We have now received in reply a communication from the Foreign Office reading as follows:

"We have no wish to dispute the State Department's contention that the governments of these countries should, if they so desire, apply to the Government of the United States for lend-lease military supplies and it was not our intention to suggest that Ibn Saud was precluded from approaching the United States Government direct. The instructions sent to the British Legation at Jidda were in conformity with a *modus operandi* (which though not officially recognized has usually been followed by the Munitions Assignment Boards) whereby, requests for war supplies from countries in certain areas should be canalized either through Washington or through London. This procedure was intended to prevent the confusion that might arise if a government submits simultaneous requests for the same arms in both capitals and we have ourselves strictly adhered to it in the case of countries in the United States sphere of strategic responsibility as defined by the Combined Chiefs of Staff. But I understand that the combined Munitions Assignment Board are now considering the preparation of an agreement, to remove any misunderstanding which may now exist."¹²

WINANT

¹¹ See footnote 10, p. 4.

¹² See airgram No. A-766, August 3, 9: 15 a. m., from the Ambassador in the United Kingdom, p. 885.

BRITISH PROPOSALS FOR CONVERSATIONS BETWEEN OFFICIALS OF THE AMERICAN AND BRITISH GOVERN- MENTS CONCERNING THE NEAR EAST

800.24/1388

*The British Embassy to the Department of State*¹

AIDE-MÉMOIRE

His Majesty's Government are anxious to coordinate closely their policy in the Middle East with the United States Government. While the Middle East is an area of essential strategic importance to the British Commonwealth, His Majesty's Government hope that the United States Government will be prepared to collaborate with them closely in that area, and for this purpose a mutual understanding of each other's aims and interests is much to be desired. His Majesty's Government would accordingly greatly welcome the visit to London of one or more high American officials for the purpose of an informal exchange of views both on current questions in the Middle East and on some problems that may arise after the war, in the hope of securing full mutual understanding.

The discussion might, in the view of His Majesty's Government, cover not only political questions but also any other Middle Eastern questions which either Government may wish to raise. For example, it would seem useful that the two Governments should exchange views on the future development of Anglo-American cooperation in economic matters. The value of such cooperation has already been strikingly shown through the admirable work of the Middle East Supply Centre. Hitherto, owing to the shortage of available supplies, the activities of the Supply Centre must have appeared to the Governments of the Middle Eastern countries as mainly restrictive; but it may before very long be possible to relax the existing restrictions, and the time now seems to have come when the future of this Anglo-American organisation might usefully be considered. His Majesty's Government would propose that the first step might be to bring the local Governments gradually into consultation by means of conferences on subjects of interest to them, such as transport, food production and rationing statistics. Later, provided that the local Governments proved responsive, arrangements might be made to associate

¹ Handed to the Acting Secretary of State (Stettinius) by the British Ambassador (Halifax) on November 1.

them even more closely with the Centre's work. Eventually they might, perhaps, if they wished, be admitted to full participation in all the Centre's activities. There would seem to be great advantage in an endeavour on these lines to make Anglo-American control over supplies and distribution, which will presumably have to remain in being in the Middle East until some considerable time after the end of the war, more acceptable to the local Governments by a progressive process of consultation and partnership, accompanied where possible by a gradual relaxation of restrictions. Finally, as a long-term objective, it may be found desirable to establish a Middle East Economic Council as a consultative body representative of the Middle East Governments and of other Governments with major interests in this region, but His Majesty's Government have not thought it necessary to reach a decision on this latter point at the present stage.

His Majesty's Government suggest that the conversations should cover Syria, the Lebanon, Palestine, Trans-Jordan, Iraq, Saudi-Arabia, Yemen, Persia, the Persian Gulf States, and Afghanistan. They are not thinking of including a discussion on Turkey or Egypt on this occasion.

WASHINGTON, October 30, 1943.

800.24/1388

*Memorandum of Conversation, by the Acting Secretary of State
(Stettinius)*

[WASHINGTON,] November 1, 1943.

Lord Halifax called this morning and said he was very happy to have me here.²

He left an *aide-mémoire*³ with me relative to the possibility of sending two people to London to discuss Middle Eastern affairs with the Foreign Office. I am sending copies to Messrs. Murray⁴ and Matthews.⁵ He suggested that if it were possible for Mr. Wallace Murray to go there quickly and to keep Colonel Hoskins⁶ there to attend the conference, it would be very helpful to the Foreign Office.

² Mr. Stettinius had entered the Department as Under Secretary of State on October 4, 1943.

³ *Supra.*

⁴ Wallace Murray, Adviser on Political Relations.

⁵ H. Freeman Matthews, Chief of the Division of European Affairs.

⁶ Lt. Col. Harold B. Hoskins, Personal Representative of President Roosevelt in the Near East in 1942-43, at this time on a mission to London regarding Palestine problems; see pp. 747 ff.

800.24/1388

*Memorandum by the Adviser on Political Relations (Murray) to the
Under Secretary of State (Stettinius)*

[WASHINGTON,] November 6, 1943.

MR. STETTINIUS: I wish to refer to the attached memorandum of a conversation⁷ which you had with the British Ambassador on November 1 last and to the *aide-mémoire* which he left with you stating that the British Government "are anxious to coordinate closely their policy in the Middle East with the United States Government" and that the British Government "would accordingly greatly welcome the visit to London of one or more high American officials for the purpose of an informal exchange of views both on current questions in the Middle East and on some problems that may arise after the war, in the hope of securing full mutual understanding."

In this connection Lord Halifax mentioned that it would be very helpful to the Foreign Office if I were to proceed to London and if Colonel Hoskins, who is now there on a special mission, were kept there "to attend the conference".

I have gone over this matter very carefully with Mr. Atherton⁸ and we are in full agreement that it should be handled in the following way:

With regard to the matter of my proceeding to London, which was mentioned orally to you by Lord Halifax, we believe that he might be in turn orally informed that the Department would, of course, be prepared to authorize its Political Adviser on Near Eastern Affairs to proceed to London at an appropriate moment accompanied by other competent officials of the Department for the purpose of consulting with officials of the British Government on Near and Middle Eastern matters.

We believe, however, that the timing of such a visit and the circumstances under which it should be made require careful thought and planning.

It will be noted that the British have in mind discussing both economic as well as political questions affecting the Near and Middle East. It will also be noted that in listing the Near Eastern countries which would be the subject of discussion they contemplate excluding Turkey and Egypt and omit mention of Ethiopia.

With regard to the economic matters which would come under discussion, reference is made to the Middle East Supply Center and to

⁷ *Supra.*

⁸ Ray Atherton, Minister to Canada, was on consultation at the Department, at the personal request of the Secretary of State, during the period of the latter's absence while attending the Tripartite Conference of Foreign Ministers at Moscow; for correspondence regarding the Moscow Conference, October 18–November 1, 1943, see vol. I, pp. 513 ff.

certain thoughts which the British have in mind looking to a gradual modification of the activities of that organization, and to the eventual establishment of a Middle East Supply Council as a consultative body representative of the Middle East governments and other governments with major interests in that region.

We have an undoubted interest in any suggestions affecting the future of the Middle East Supply Center but before discussing them with the British we should, I believe, consult with Mr. James M. Landis, who has only recently proceeded to Cairo in the capacity of Director of Economic Operations in the Middle East and as principal civilian representative of the United States at the Middle East Supply Center. As you are aware, Mr. Landis has already taken a swing-around in his area, proceeding as far east as Tehran, and his views on any suggestions the British may have to advance would be essential and authoritative.

There is, furthermore, the very important matter of reaching some agreement between this Government and the British Government on Middle Eastern petroleum questions. A draft of such an agreement is being considered in the Department at the present time and has been furnished informally to other interested departments for their consideration and suggestions. A visit to London by a selected group of Near Eastern experts from the Department might be made the occasion of sounding out the British Government on this question.

With regard to political as well as economic questions affecting countries in the Near and Middle East which the British would wish to discuss, Mr. Atherton and I are of the opinion that we should express our desire to include all Near Eastern countries in the discussions and add that we would appreciate being furnished in advance by the British with a full and detailed agenda of the matters to be considered, including an outline of the British position with regard to these matters. In that way we would be in a position to give careful consideration to all British proposals and suggestions and to formulate a definite policy acceptable to this Government in advance of any conversations in London. To proceed to such conversations without such preparation on our part would, I believe, accomplish no useful purpose and might lead to confusion.

If you are in agreement with this mode of procedure, I suggest that we might proceed to draft, for your approval, an appropriate written reply to the *aide-mémoire* left with you by the British Ambassador.

With regard finally to the suggestion that I might proceed "quickly" to London to be present in certain discussions with Colonel Hoskins, I may say in confidence that this would, in my considered opinion, be a great mistake. . . . As you of course appreciate, this is a question

loaded with dynamite,¹⁰ both domestically and internationally, which has been discussed, and will be finally decided, on the highest political level. No conversations could or should be undertaken on that subject prior to such high-level decisions and without precise authoritative instructions which are not now available.¹¹

WALLACE MURRAY

800.24/1388

Memorandum by the Adviser on Political Relations (Murray) to the Under Secretary of State (Stettinius)

[WASHINGTON,] November 24, 1943.

MR. STETTINIUS: With reference to the communication handed you by the British Ambassador stating that his Government would welcome a visit to London by one or more high officials of the Department conversant with Near and Middle Eastern affairs for the purpose of conversations with corresponding officials of the British Foreign Office, I have the following to report:

We had prepared a written reply along the lines suggested in my memorandum of November 6 which it was thought desirable to hold until the matter could be mentioned to the Secretary after his return from Moscow.

I had an occasion to mention the matter briefly to the Secretary last Monday, and while there was not time to go into the matter thoroughly with him he nevertheless expressed two thoughts:

1. Since the British, and not we, are seeking the conversations, should we not suggest to them that the conversations should be held in Washington?

2. In any such conversations as may be held, we should formulate in detail and in advance our policy regarding any questions which the British might have in mind raising.

A member of the British Embassy told Mr. Alling¹² a few days ago that there was "quite a lot of background" to this matter and that he would tell him of it this evening when Mr. Alling expects to see him. With this additional information at hand, we shall be prepared to go ahead tomorrow with a written reply to the British Ambassador.

¹⁰ Reference is to Arab-Zionist controversy. For correspondence on this subject, see pp. 747 ff.

¹¹ In a memorandum of November 9, the Under Secretary of State informed the Adviser on Political Relations as follows: "I agree wholeheartedly with your suggestions and would appreciate it if you would prepare a written reply as you suggest. In the meantime, when I see Lord Halifax, I shall explain to him orally that we do not feel you should go to London just at this time, although we are in favor of conversations of the type mentioned after proper preparation has been made for them." (800.24/1388)

¹² Paul H. Alling, Chief of the Division of Near Eastern Affairs.

Our reply will be along the lines as suggested in my above-mentioned memorandum of November 6 but will, in line with the Secretary's thinking, suggest that the conversations should be held in Washington.

WALLACE MURRAY

800.24/1394

*Memorandum of Conversation, by the Under Secretary of State
(Stettinius)*

[WASHINGTON,] November 26, 1943.

Lord Halifax called on me and raised the matter of Mr. Wallace Murray going to London to discuss Middle Eastern matters about which he has written to us. He told me that he was being pressed on this matter by his government.

I told him that it was our feeling that it was probably premature to initiate such discussions until such time as agendas could be exchanged and preparations made on both sides. I told him that we were preparing a memorandum for him explaining this position.

He seemed uncertain as to whether this would satisfy his Foreign Office and felt he might have to raise the matter with us again.

E[DWARD] S[TETTINIUS]

800.24/1394a

*The Department of State to the British Embassy*¹³

AIDE-MÉMOIRE

The Government of the United States is fully in accord with the view of the British Government, expressed in the Embassy's *aide-mémoire* of October 30, 1943, that a mutual understanding of their aims and interests in the Middle East is highly desirable and considers also that informal discussions in regard thereto may be instrumental in achieving this purpose.

It is believed, however, that it would prove extremely helpful in establishing a basis for the full mutual understanding desired by both Governments if the questions to be discussed were defined prior to an exchange of views concerning them. The American Government, therefore, would appreciate being informed of the specific questions the British Government proposes to discuss and of its viewpoint with respect to these questions, in so far as it may be possible to formulate its attitude at this time. Thus the American officials concerned would be able to give adequate consideration to these questions before meeting with officials of the British Government. If this Government should

¹³ Handed to the British Ambassador on November 30.

desire to discuss subjects additional to those proposed by the British Government, due notice would of course be given.

It is the view of this Government that the proposed discussions should embrace the entire Middle Eastern area, and include Turkey, Egypt and Ethiopia.

The American Government agrees that the work of the Middle East Supply Center is a good example of the value of Anglo-American cooperation in economic matters, and that the future of this organization could usefully be considered at the proposed meeting. The suggestions of the British Government as to the manner in which the Middle East Supply Center's work might be developed would be carefully considered in consultation with this Government's representatives, in Washington and the Middle East, who are concerned with the work of the Center.

In as much as a discussion of general Middle Eastern problems would involve questions of varied technical character, it is believed that both governments will wish to utilize the services of officials qualified to discuss technical matters. This Government does not maintain a staff of such experts in London. Sending them to London, of course, would present difficult problems of transportation in wartime. It is understood, however, that the British Government has stationed in Washington a number of technical and financial experts whose services might be utilized in connection with discussions relating to Middle Eastern matters. It is suggested, therefore, that, to meet the exigencies of wartime conditions, it would be more practicable to hold the proposed discussions in Washington than in London.

This Government would be glad to receive an expression of the British Government's views in regard to the foregoing suggestions.

WASHINGTON, November 29, 1943.

800.24/1413

*Memorandum of Conversation, by the Under Secretary of State
(Stettinius)*

[WASHINGTON,] December 1, 1943.

Subject: *Aide-Mémoire* of November 29 relative to the Middle Eastern discussions.

Lord Halifax brought up this matter and suggested that we might possibly wish to reconsider the *aide-mémoire*. He raised the following points: (1) that it will be very difficult to prepare the form of an agenda; (2) he does not feel that Turkey and Ethiopia should be included in the discussions; and (3) he feels that they should take place in London because the experts of the British Government on these problems are located there.

He told me he would be away in North Carolina for four or five days and the matter was left that Mr. Wallace Murray would communicate with Sir Ronald Campbell ¹⁴ about it.

E[DWARD] S[TETTINIUS]

800.24/1414 : Telegram

The Secretary of State to President Roosevelt ¹⁵

[WASHINGTON,] December 2, 1943.

Lord Halifax has been pressing the Department insistently for the past month to send "one or more high American officials" to London to discuss "current questions in the Middle East and problems that may arise after the war."

After careful consideration of the implications and long-range aspects of this matter, I have come to the conclusion that under the circumstances

1. Since the British have requested such a meeting the conversations should be held in Washington and not in London, and

2. Such conversations should not be undertaken until the British have advised us of the specific questions they wish to discuss and of their viewpoint with respect to these questions in so far as it may be possible to formulate their attitude at this time.

Lord Halifax has been informed that for various reasons including a suitable British staff now in Washington we consider it preferable to hold the proposed discussions in Washington but has expressed strong reluctance so to inform the Foreign Office.

I am reporting this to you in the thought that you might wish to have this information in mind in case Churchill should raise the matter with you.

[HULL]

800.24/1414 : Telegram

President Roosevelt to the Secretary of State ¹⁶

I am in agreement with you in respect to assigning American officials to London to confer on current questions in the Middle East and also post-war problems. A lot of these should receive your consideration as well as mine. Please pass along to Lord Halifax this information.

[ROOSEVELT]

¹⁴ British Minister in the United States.

¹⁵ Addressed to President Roosevelt at Cairo, Egypt, where the President had arrived to attend the Second Cairo Conference with British Prime Minister Winston S. Churchill and Turkish President Ismet Inönü; for correspondence regarding this Conference, see *Foreign Relations*, The Conferences at Cairo and Tehran, 1943.

¹⁶ Paraphrased copy of a message received at the White House, and forwarded to the Department on December 4.

800.24/1413

The Adviser on Political Relations (Murray) to the Under Secretary of State (Stettinius)

WASHINGTON, December 4, 1943.

MR. STETTINIUS: Referring to your attached memorandum of conversation on December 1¹⁷ with Lord Halifax, when he suggested that we might wish to "reconsider" the *aide-mémoire* regarding Middle Eastern discussions which was handed to him on November 30 last, I think you will be interested in the attached telegram of December 2¹⁸ which the Secretary directed me to draft for dispatch to the President on this subject.

The President's reply in paraphrase is also attached.¹⁹

I may say in confidence that during my conversation with the Secretary on this subject it was felt that, although Lord Halifax had stated to you that he did not intend to submit our *aide-mémoire* to the British Foreign Office, he might—and probably would—communicate directly with the Prime Minister on the subject requesting the Prime Minister to take it up with the President.

As stated in the final paragraph of the Secretary's telegram to the President, the purpose of the communication was to acquaint him with the Secretary's views in case Mr. Churchill should broach the matter to him. Note: the Secretary himself inserted the words "including a suitable British staff now in Washington."

I have meanwhile not discussed this matter with Sir Ronald Campbell and assume that it is no longer necessary to do so.

As you will note, the President desires his views in this matter communicated to Lord Halifax. Since Lord Halifax took the matter up with you in the first instance, do you desire to acquaint him with the views of the Secretary, which are fully concurred in by the President?²⁰

WALLACE MURRAY

800.24/1453

The British Ambassador (Halifax) to the Secretary of State

No. 827

WASHINGTON, December 24, 1943.

SIR: In an *aide-mémoire* dated October 30th, 1943, His Majesty's Embassy had the honour to inform the Department of State that His

¹⁷ *Ante*, p. 12.¹⁸ *Ante*, p. 13.¹⁹ *Supra*.

²⁰ In a memorandum of December 8, the Under Secretary informed the Adviser on Political Relations as follows: "I have told Lord Halifax of the President's reaction to this matter and I think, as a result, that they will hold this in abeyance until the President's return." President Roosevelt returned to Washington on December 17. (800.24/1453)

Majesty's Government in the United Kingdom were anxious to coordinate closely their policy in the Middle East with that of the Government of the United States, and that while the Middle East was an area of essential strategic importance to the British Commonwealth, His Majesty's Government hoped that the Government of the United States would be prepared to collaborate with them closely in that area, for which purpose a mutual understanding of each other's aims was much to be desired.

It was stated that His Majesty's Government would accordingly greatly welcome the visit to London of one or more high American officials for the purpose of an informal exchange of views both on current questions and on some problems that might arise out of the war, in the hope of securing full mutual understanding. The discussions might, in the view of His Majesty's Government, cover not only political questions but also any other Middle Eastern questions which either Government might wish to raise; it would for example seem useful that the two Governments should exchange views on the future development of Anglo-American cooperation in economic matters, in respect of which certain ideas were briefly outlined.

The *aide-mémoire* concluded by stating that His Majesty's Government suggested that the conversations should cover Syria, the Lebanon, Palestine, Trans-Jordan, Iraq, Saudi Arabia, Yemen, Persia, the Persian Gulf States, and Afghanistan, and that they were not thinking of including a discussion on Turkey or Egypt on this occasion.

In its *aide-mémoire* of November 29th the Department of State replied that the Government of the United States was in full accord with the view of His Majesty's Government that a mutual understanding of the aims and interests in the Middle East of the two Governments was highly desirable, and that it considered also that informal discussions in regard thereto might be instrumental in achieving this purpose. It was believed however that prior information of the specific questions which the British Government proposed to discuss, and of their viewpoint in respect of these questions, would be helpful in achieving the objects both Governments had in view. If the American Government desired to discuss additional subjects, due notice would be given. The view of the United States Government was expressed that the discussions should include Turkey, Egypt and Ethiopia.

His Majesty's Government in the United Kingdom welcome the readiness of the Government of the United States to fall in with their suggestions. On their part they agree that the proposed discussion should include Turkey, Egypt and Ethiopia in accordance with the view expressed in the Department of State's *aide-mémoire*: as also suggested therein, they will prepare a list of points for discussion.

With regard to His Majesty's Government's invitation for one or more high American officials to visit London for the purpose of an informal exchange of views on the matters in question, the Department of State replied in their *aide-mémoire* of November 29th to the effect that owing to difficult problems of transportation in war time which such a visit would present, and since it was believed that both Governments would wish to utilise the services of officials qualified to discuss technical matters, it would be more practicable to hold the proposed discussions in Washington than in London.

This, it was suggested, would meet the exigencies of war time conditions and was based upon the belief that His Majesty's Government had stationed in Washington a number of technical and financial experts whose services could be utilised in connexion with the discussion of Middle Eastern matters.

The desire of His Majesty's Government is that the talks should take place wherever they can most usefully be held. His Majesty's Government do not, unfortunately, have in Washington technical and financial experts qualified in the subjects concerned. Furthermore, the close interests and special responsibilities of His Majesty's Government in the areas concerned make it in their view most desirable that these problems should receive detailed consideration in London, where much specialised information and experience could readily be made available for the discussions. His Majesty's Government would for these reasons greatly hope that the United States Government would feel able to concur in their suggestion that the exchange of views on these questions, which so closely affect His Majesty's Government, and for some of which His Majesty's Government bear so direct a responsibility, should take place in London.

It is unnecessary to say that any representatives whom the United States Government may decide to send there will be warmly welcomed.

I have [etc.]

HALIFAX

800.24/1474a

The Secretary of State to the British Ambassador (Halifax)

[WASHINGTON,] January 7, 1944.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of December 24, 1943, in further regard to proposed conversations between officials of the American and British Governments concerning the Middle East.

This Government is glad to observe that the British Government concurs in the view expressed in the Department's *aide-mémoire* of November 29, that it would be desirable to include Turkey, Egypt and Ethiopia in the conversations. It is also pleased to note that the British Government will prepare a list of points for discussion.

It thus appears that the only preliminary point remaining to be settled is whether it would be more practicable to hold the conversations in Washington or in London.

The British Government expresses the desire to have the conversations take place wherever they can most usefully be held. The British Government, however, considers it most desirable that consideration should be given to these problems in London in view of the close interests and special responsibilities which the British Government has in the Middle East, and the experience and specialized knowledge which could be made available in London. For these reasons, the British Government hopes that the United States Government will feel able to agree that the exchange of views should take place in London, and concludes by saying that any representatives who may be sent on behalf of the United States Government will be warmly welcomed.

The Government of the United States believes that the proposed conversations will prove highly valuable wherever they may be held, and sincerely appreciates the assurance that its representatives would be warmly received in London. From this Government's point of view, the factor of practicability under wartime conditions is the determining one in considering the question of a meeting place.

The close interest which the British Government has in the Middle East, and its special responsibilities in that area are fully realized by this Government. The fact that this interest and these responsibilities have long existed has quite naturally resulted in the accumulation of a large fund of knowledge and experience on the part of substantial numbers of British officials. This Government, on the other hand, has but a limited number of officials who are conversant with Middle Eastern affairs, and their time and energies are now most heavily taxed in dealing with matters which are bound up with the war effort. At the present time, there is no member of the staff of the American Embassy at London who has had service in the Middle East. In consequence, if the conversations were held in London, it would be necessary, for the adequate representation of this Government, to send several officials from Washington. It would hardly be possible for the officials who remained in Washington to cope with the pressure of urgent war work.

It has been noted, on the other hand, that on the staff of the British Embassy at Washington there are now some seven officials who have had service in the Near East or are experts in Near Eastern problems, in addition to a substantial number of other British officials in Washington who are working currently with American officials on Middle Eastern Supply Center and other economic, as well as financial, problems.

It has thus appeared to this Government that transport facilities would be saved if the discussions were to be held in Washington. Moreover, and perhaps of more importance, the British Government, due to its long and close association with the Middle East, has available in Washington a body of officials whose previous service in that area would permit them to play a valuable part in the conversations, and thus permit this Government's limited staff of officials having Middle Eastern experience to devote, during the period of the conversations, the minimum time and effort required on their part to discharge this Government's wartime responsibilities in the Middle East.

The British Government, it is assumed, would desire to have one or more officials proceed to Washington to direct the British part in the discussions and they would, it goes without saying, be warmly welcomed by the Government of the United States.

In view of those considerations, the United States Government sincerely hopes that the British Government will feel able to meet its wishes regarding the locale of the proposed conversations.

Accept [etc.]

CORDELL HULL

[Mr. Wallace Murray, Director of the Office of Near Eastern and African Affairs, was a member of a Commission headed by Under Secretary of State Edward R. Stettinius, Jr., which held discussions with British officials in London, April 7-29, 1944. Near East topics were discussed at that time.]

**REPORT BY LIEUTENANT COLONEL HAROLD B. HOSKINS
ON THE SITUATION IN THE NEAR EAST**

[For summary of report, concerned preponderantly with the Arab-Zionist controversy in Palestine, see page 782. For correspondence on the dispatch of Lt. Col. Harold B. Hoskins on a mission to the Near East, see *Foreign Relations*, 1942, volume IV, pages 24 ff. See also *post*, pages 747-751, 756-757, and 796-827 *passim*.]

AFGHANISTAN

MATTERS PERTAINING TO GENERAL RELATIONS BETWEEN THE UNITED STATES AND AFGHANISTAN

890H.50/8: Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, January 27, 1943—9 a. m.
[Received January 29—9:38 a. m.]

18. Supplementing my telegram 17, January 26, 11 p. m.¹ I should like to point out that the general economic outlook in Afghanistan is extremely gloomy and her entire economic structure is undergoing a very severe strain. Repercussions of the war on economic conditions are rapidly diminishing national prosperity and have caused such a scarcity of goods and such an increase in price levels that a serious setback to Afghanistan's progress has become apparent.

There are no reliable figures regarding the national wealth nor accurate computations of the national income and the Afghans have only the most rudimentary notions of international commerce and hardly of political economy. But they feel that as innocent bystanders in this war they have to suffer a good deal even if they realize that many of their difficulties and losses have been hidden. Afghanistan is economically a poor country and the people have become inured to living from hand to mouth but the closing of all overseas markets to merchant ships and the cessation of most imports has caused great hardships to all classes as few of the inhabitants are even moderately rich.

There are several important reasons why we and the British have a distinct interest in preventing the economic plight of Afghanistan from deteriorating too far.

1. In the first place there is increasing uneasiness among the poorer classes who not only find it difficult to feed and clothe themselves but are unable to obtain medical treatment because of the dearth of medicines of all kinds. This stimulates political discontent and is causing a considerable amount of criticism of the Government. And any weakening of the present regime would react unfavorably upon the Allied war effort in the Middle East and in India.

2. The Axis Legations and native elements beholden to them are exploiting this mounting popular dissatisfaction by spreading reports that the bad economic situation is entirely due to British, American and Soviet greed and selfishness which is bound to strangle Afghanistan.

¹ Not printed.

3. As stated in paragraph 4 and elsewhere in my telegram 129, November 28,² Germany since 1933 embarked upon a deliberate policy of economic penetration in Afghanistan which in its ultimate effect was clearly political. The Afghan Government now realizes the menace of German trade and necessitates vigorous measures to strengthen direct trade relations with countries from which it need fear no political exploitation.

4. By encouraging Afghanistan and the Legation to establish friendly commercial relations with the United States we would be preparing the ground for closer ties with the United Nations not only at this date but after this war. Please see also the thought expressed in my 160 December 28, 9 a. m.³ If we permit the Afghans to buy a few urgently needed supplies for their minimum legitimate requirements and if we give them a little shipping space for her Persian lamb the Government would hail us as a true friend who had helped to free the country from the economic domination of the Axis.

ENGERT

740.0011 European War 1939/28004 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, February 14, 1943—9 p. m.

[Received February 17—1:35 p. m.]

34. Russian Ambassador⁴ left for Moscow January 7 for consultation. Ever since rumor has been current that Afghan and Soviet Governments are preparing to negotiate new trade agreement. Russia's trade agent in Kabul has also recently been in Moscow. British Legation here inclined to believe rumor but has no definite information.

It is certain that as result of spectacular Russian military successes Afghan officials have been trying to improve relations with Soviets and to cultivate closer official and social contacts with Russian Embassy here. As intimated in paragraph 4 my 54, August 16, 10 p. m.⁵ Afghan Government had breathed a sigh of temporary relief when Axis attacked Russia and it looked as if traditional menace from north were eliminated or at least postponed. But since then prestige of Kremlin has been greatly enhanced and has revived Afghan fears that Soviets intoxicated with victories over German Armies may again show aggressive tendencies. There are as yet no indications of future course of Soviet policy toward Afghanistan but Russia has long been a most uncertain neighbor and little trust is placed here in Soviet promises and undertakings.

² Not printed.

³ Not printed; in this telegram Mr. Engert expressed a keen desire "to build up Anglo-Saxon cultural influences" in Afghanistan in preparation for the post-war years (890H.42711/49).

⁴ Constantin Mikhailov.

⁵ *Foreign Relations*, 1942, vol. iv, p. 54.

With Russia in control of North Persia the Afghans fear spread of communism to other parts of Middle East although they admit that since June 1941 there has been practically no Bolshevik propaganda in Afghanistan. But if after the war Russia should emerge stronger and more aggressive than before the Afghan Government believe that communism backed by Red imperialism would become a far more formidable and sinister factor than it was as a mere social or ideological movement.

Russian victories have therefore aroused no enthusiasm in Afghanistan and only grudging admiration in military circles but the Government has become conscious of the serious risks to Afghan interests if the Soviets should be unfriendly and it may now be prepared to meet Moscow more than half way by agreeing to the kind of commercial *rapprochement* which the Soviets have been seeking in vain for a number of years.

Repeated to Kuibyshev.

ENGERT

811.2390H/1 : Telegram

The Secretary of State to the Minister in Afghanistan (Engert)

WASHINGTON, April 28, 1943—8 p. m.

52. An officer of the United States Army handling Afghan matters here wishes to visit Kabul shortly for the purpose of increasing his knowledge of the country. He desires to enter Afghanistan openly as an Army officer and would travel in uniform. The duration of his stay would be about 2 weeks. We feel that such a visit would serve a useful purpose from our point of view but are aware that there might be complications.

Please let us have your views.

HULL

760C.61/1056 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, April 29, 1943—11 a. m.

[Received April 30—8:32 p. m.]

90. News of the rupture of diplomatic relations between the Soviets and the Polish Government has had a deplorable effect on Afghan official circles. Not only was it immediately seized upon by the Axis Legations and sympathizers and proclaimed as proof of deep-rooted dissensions among the so-called United Nations but it has confirmed the Afghan Government in its great reluctance to believe that anything good can ever come out of Russia.

I have already had occasion to refer to the fear and dislike of Russia which even blinds most of the Afghans to the dangers based on an Axis victory. See e. g. paragraphs 2, 3, and 4 of telegram No. 54, August 16, paragraph 5 and the last sentence of telegram No. 74, September 15, paragraph 7 *b* of telegram No. 129, November 28, 1942⁶ and my telegram No. 34 February 14, 1943. In Afghanistan the intentions of her Russian neighbor have never been considered above suspicion and there is much concern over the future relations with the Soviets. The Russian front is believed to represent the phase of the war most likely to affect Afghanistan permanently and every indication of Moscow's policy and designs is anxiously watched in view of its possible repercussions in Central Asia. There is, therefore, no desire to see Russian arms emerge victorious from the war.

The present Russo-Polish crisis has revived beyond reason the uneasiness long felt by all small neighbors of the Soviet Union lest Bolshevik imperialism revert to the tendency to absorb geographically and politically non-Russian territory. Nobody in Kabul is of course in a position to judge how far the Soviet Government is bluffing and how far it is in earnest but the situation admittedly contains many imponderables and the Afghans have vivid recollections of the intensive Sovietization between 1939 and 1941 of the parts of Poland annexed by Russia. More recently certain alarming reports received from Iran have created the impression here that the Soviet irruption into that country has spread communism among workers and peasants and may even incite the army to rise against the alleged "rapacious ruling classes".

The Afghans are convinced that when the war is over Russia will demand substantial territorial concessions of her neighbors and that neither the US nor Great Britain will be able to stop her. They consider the Polish incident as a straw which shows the mind [*wind?*] and much will depend on how and how quickly the dispute is settled.

Russian Ambassador who left for Moscow January 7 has not yet returned.

Repeated to Kuibyshev.

ENGERT

811.2390H/1 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, April 30, 1943—4 p. m.

[Received May 3—8:29 a. m.]

92. Visit such as you suggest in your 52, April 28 would have to be handled with extreme care. If you really feel that it is essential for

⁶ For telegram No. 54, see *Foreign Relations*, 1942, vol. iv, p. 54; telegrams No. 74 and No. 129 not printed.

military or political reasons I would suggest that a high ranking officer, nothing less than a brigadier or major general, be sent out or perhaps detailed from India. I could probably get authorization for him to come because Afghan Government may feel flattered. There is no assurance that he would be permitted to travel in the direction of the Russian frontier except that he would probably be able to visit Herat. Simplest plan would be for me to request authorization for such officer to travel from India to Tehran via Kabul, Kandahar and Herat which would give him about 3 weeks in Afghanistan. But travel in uniform is entirely out of the question even for brief visit to Kabul only.

Quite frankly I do not believe that he could possibly collect any information which the Military Attaché or I could not obtain if we knew precisely what the Army wishes to find out.

ENGERT

845.00/1952 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, May 16, 1943—noon.

[Received May 18—12: 05 p. m.]

101. Since my telegram No. 80, April 12, 9 p. m.,⁷ Kabul has also been visited by Sir George Cunningham, Governor of the Northwest Frontier; Pilditch, Director of Intelligence, Delhi, the Political Agent, Khyber; the senior Assistant Director of Intelligence, Quetta, as well as several other officers connected with the British intelligence service.

Although they were here entirely unofficially I gathered from conversations with them that they were not only very much interested in ascertaining Afghanistan's attitude toward India but more especially in her attitude toward Russia as described in previous telegrams. They find that distrust of the Soviet Union is on the increase although it is not yet clear how seriously Afghanistan is threatened. Afghan officials seem to believe that Moscow is now or soon will be in a position to bring pressure to bear on this country even without the slightest intention of invading India. Afghanistan, therefore, cannot afford to relax her watchfulness on her northern frontier especially as she can only conjure guesses concerning known objectives of Soviet policy. At the present moment the Afghan Government would reject any proposals for the "joint defense" of Afghanistan which might give Moscow the right to establish air bases or maintain garrisons south of the

⁷ Not printed; it reported the arrival in Kabul of Mr. O. K. Caroe, Secretary to the Government of India in the External Affairs Department, on an unofficial visit to the British Minister in Afghanistan. Mr. Engert speculated that Mr. Caroe, "only the second Foreign Secretary of India to visit Kabul", had as the object of his visit to induce the Afghan Government to refrain from "all hostile intrigues among the tribes on the British side of the border . . ." (845.00/1924)

Khyber. But the highest officials probably feel quite sincerely that once Russia has definitely defeated Germany Afghanistan's only hope of escaping communism and of maintaining her independence lies in close friendship with Great Britain and the US.

By air to Moscow.

ENGERT

890H.24/86 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, May 27, 1943—10 a. m.
[Received May 28—11:08 a. m.]

109. Your 45, April 15.⁸ Please inform the War Department that on May 17 the Military Attaché and I officially presented the Dodge army station wagon intended for the King,⁹ and on May 25 we presented the Stearman trainer plane intended for the Afghan Air Force. See my telegram 78, September 20, 1942.⁸

Both gifts were highly appreciated and I have been requested to convey to the Government of the United States and to the authorities directly concerned the sincere thanks of the Afghan Government.

ENGERT

890H.00/241 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, July 20, 1943—3 p. m.
[Received July 22—1:15 p. m.]

144. Having recently completed a year's sojourn in Kabul I should like to submit some general impressions in addition to those already voiced in previous reports.

1. A year ago most Afghans were convinced that the Axis would reach the Caucasus and invade Persia, that Egypt would be overrun and India attacked by Japan and it looked as if the Afghan Government, yielding to the strong Germanophile sentiments of the younger generation, might be tempted to fall in with Hitler's schemes for a new order in the Middle East.

2. All we could try to do was to tell them that the fortunes of war would gradually but inevitably turn against the Axis and that not one of the United Nations believed in the invincibility of German arms; that it was of vital concern to Afghanistan whether the Allies or the Axis won quite apart from the fact that aggression and ruthlessness were bound to bring their own retribution; that the Nazis who had destroyed the independence of so many small Christian countries were

⁸ Not printed.

⁹ Mohammad Zaher Shah.

not likely to accord Moslem countries any better treatment; that Hitler had shown little consideration for those whom he had used as his instruments once they had served Nazi purposes; that the Atlantic Charter¹⁰ on the other hand was designed to benefit small independent countries and that the future existence of Afghanistan therefore depended on an Allied victory.

3. Little response was forthcoming to these arguments. Even among Afghans who are not pro-German there are few who take a broad view of the situation. Lack of education seems to prevent any real understanding of policies and issues beyond a vague hope that the war will be kept as remote from Afghanistan as possible and that it will not be necessary for Afghanistan to deviate from her jealously guarded neutrality. Our idealistic war aims leave them fairly cold and for 3 years the Government has merely been playing for time and avoiding definite commitments to either the Allies or the Axis until it could see clear signs that one or the other was winning.

4. This point is now fast approaching. Public opinion in Afghanistan, at the best of times never stable or much influenced by sentiment or loyalty, has shown a mercurial sensitiveness to changes on the battle front. Just as every Allied military setback immediately gave a fresh impetus to anti-British and anti-Soviet sentiment so have recent Allied victories inclined them more and more in our favor. If Afghan opinion is only affected by tangible military results, world events of the past 6 months must have given them a great deal to think about.

5. As stated in my telegram 129, November 28, 1942¹¹ the Germans had been lavish with cash and presents and thus secured a large following among the Afghans especially the minor officials and young intelligentsia who constituted a definite pro-German element both in and outside the Government. The Nazis very cleverly took advantage of the many weak points in the Afghan national character, with the result that even today there remains a considerable body of opinion—e. g. in pro-Amanullah¹² and military circles—who are actually disappointed over Axis failures and who are sufficiently gullible to continue to swallow German propaganda in large doses.

6. However that is no longer true of most of the higher official and semi-official circles and the older members of the ruling family and it is of course difficult for any foreigner to claim to know what goes on behind the scenes because of the attitude of mystery and reserve and the extreme reluctance to express any opinions maintained by practically all Afghan officials. But I am personally convinced that the

¹⁰ Joint statement by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations*, 1941, vol. I, p. 367.

¹¹ Not printed.

¹² Amanullah, Amir of Afghanistan, 1919–26; King of Afghanistan, 1926–29; deposed early in 1929 and was succeeded, after a disturbed period, by Mohammed Nadir Shah in October.

Prime Minister,¹³ the Minister for Foreign Affairs¹⁴ and the War Minister¹⁵ have during the past year been making an honest effort to be as friendly toward the Allies and especially the U. S. and Great Britain as the internal political situation permitted. See my telegram 87, September 29, 1942.¹⁶

7. There will always be plenty of people in Afghanistan ready to revile the British and the Russians but there is now little room for doubt left in the minds of the majority of thinking Afghans that the Axis is losing the war. The Prime Minister has told me so himself only today. Even in normally Germanophile circles the hope is now being expressed for a speedy victory of the Allies, if only because they fear Afghanistan's economic difficulties will become unbearable should the war last much longer. The Afghan Government probably realizes that it may soon be faced with important decisions on matters of external policy which are bound to have repercussions on her internal problems. And in order to ensure Afghanistan's place in the future scheme of things it may not be unwilling from now on to further Allied interests a little more openly.

ENGERT

890H.24/105

*Memorandum of Conversation, by Mr. Calvin H. Oakes of the
Division of Near Eastern Affairs*

[WASHINGTON,] August 3, 1943.

The Afghan Minister¹⁷ spoke again to me today regarding the arrangement under which the Afghan representatives in this country are compelled to secure permission from the Indian Supply Mission for the shipment of each and every item from the United States to Afghanistan. I explained to him, as had been explained on sundry previous occasions, that the Department had taken cognizance of the objections of the Afghan Legation to the arrangements now in force and that an endeavor was being made to work out some new arrangement satisfactory to the Afghans. I reiterated that as it was contemplated that shortly there would be on the India-United States run for purposes of general cargo only British flag vessels, it was not within our power unilaterally to allocate on vessels bound to India a specific tonnage quota for Afghan requirements over a period of, say, the next year.

The Minister replied that there were still American flag vessels on the route and that he could not see why the American authorities

¹³ Mohamed Hashim Khan.

¹⁴ Ali Mohamed Khan.

¹⁵ Sardar Shah Mahmud Khan.

¹⁶ Not printed.

¹⁷ Mohamed Ayoub Aziz.

could not themselves authorize that a small amount of space be allocated on these remaining vessels for certain items which the Afghan Trade Agent was now ready to ship and of which his Government had urgent need. Efforts to secure space from the Indian Supply Mission had been only very partially successful.

I answered that the Minister must understand that in view of the war the United States and Great Britain had pooled certain of their resources; that in view of our common interest in the supply of India it had seemed appropriate that the British or Government of India authorities control space for India and hence arrangements had been made whereby the Indian Supply Mission would control all space for India both in so far as were concerned goods for India and goods for those countries whose imports must pass through India. This had seemed a reasonable arrangement at the time, particularly as the tonnage of goods simply passing through India was relatively very small.

The Minister replied that the amount was small but that the goods were of great importance to his country and that even if the British were facilitating their dispatch—which they were not—the principle involved was of even greater importance. He remarked that perhaps when the arrangement was made Afghanistan was viewed somewhat in the same light as Egypt, Iraq, or Iran. He continued with some warmth that while he had the friendliest feeling for his Moslem brothers, the attitude of the peoples of the countries just mentioned was not one which would ever be emulated by the Afghans. I assured him that Afghanistan had never been viewed in any light other than as justified by her independence and history.

The Minister prefaced his subsequent remarks by the observation that perhaps he should not make them in view of the fact that the United States, where he now had the pleasure of residing, was allied with Great Britain and in view of the fact that he did not wish to say anything which might appear unfriendly. I told him that I much preferred that when speaking with me he express such emotions or thoughts as he might have. He thereupon continued that the British were being deliberately unhelpful in the present case, and that an employee in the Indian Supply Mission had even informed Omar Khan¹⁸—as an explanation of his inability to be more obliging—that since Symon's¹⁹ recent return from England it had been especially difficult to facilitate the shipment of Afghan items. The Minister continued that the unfriendliness and hostility of England had been evident all during the past hundred years of Afghanistan's history; otherwise why should thousands of Afghans be kept against their will under alien domination? (He was referring to those tribesmen who

¹⁸ Mohammad Omar Khan, president of the Afghan American Trading Co., New York City.

¹⁹ A. C. B. Symon, Secretary, India Supply Mission, Washington.

consider themselves Afghans and who live in the area along the north-west frontier of India claimed by the Government of India.) There would come a day, he maintained, when Afghanistan would take back unto itself the Afghans in question and their lands, and when his country would take back also those Afghans and their lands now unjustifiably ruled by the Russians.

I attempted no comment on these latter remarks other than to mention that members of the British Embassy had indicated complete sympathy towards efforts to assist the internal economy of Afghanistan, and I repeated my assertion that efforts were being made to work out some arrangement regarding shipping space which would be more satisfactory to the Minister than the existing one. We parted on very good terms.

The Minister is becoming less reticent in his conversation and much more amiable in his manner than was the case for the first few weeks after his arrival. He appears now to feel definitely that the State Department is sympathetic to him and to his wishes. I infer, however, that he finds somewhat incomprehensible our failure simply to issue instructions rectifying any matter in which we wish to be helpful.

890H.014/8

Memorandum of Conversation, by the Assistant Secretary of State (Berle)

[WASHINGTON,] October 22, 1943.

The Afghan Minister came in to see me at his request. He said that in view of the conference proceeding in Moscow,²⁰ his Government wished him to make certain observations. Recalling the Russo-British arrangements regarding the zone of influence in Persia in 1908 [1907],²¹ and noting certain press reports that Iranian questions might come up at Moscow, the Afghan Government wished us to take note of certain unsettled questions, namely:

(1) The fact that the Afghan frontier from Lake Victoria to Taghdumbash was already fixed by an Afghan-British treaty and the Afghan Government could not consider discussing it in any way.

(2) The line from Victoria Lake to Khamiab (running along the line of the River Oxus and dividing Afghanistan from the U. S. S. R.) is a point in dispute. The Afghans claim that the frontier is in the middle of the stream, with equal navigation rights; the Russians at various times claim that their rights go to the Afghan shore. There is no treaty covering this.

²⁰ For correspondence on the meeting of Foreign Ministers at Moscow October 18–November 1, 1943, see vol. I, pp. 513 ff.

²¹ Convention between Great Britain and Russia, signed at St. Petersburg, August 31, 1907, *Foreign Relations*, 1907, pt. 1, p. 550.

(3) Afghanistan still claims the right to territory seized by the Russians in 1884, or thereabouts; claims that the Russian rights were renounced by a letter from Lenin²² but that the Russians never held the proposed plebiscite or evacuated the territory.

(4) There is an accumulation of little claims due to Russian seizure of arms and money and to their confiscation of 700 or 800 caracul lambs which were pastured on the Soviet side and seized.

(5) There is an outstanding question with Britain which relates to the northwest frontier and to territory on the Indian side of the present frontier claimed by Afghanistan. The Afghans claimed the territory and their claim was rejected, whereupon the Afghan Government accepted the line so long as the British controlled India, but, by agreement with the British, reserved their right to re-open the question should India gain her independence.

I said that I had no reason to believe Afghan questions would come up at the Moscow Conference, and in any case we were not interested. I was glad to take note of the state of affairs. But I thought that his Government was unduly concerned.

Of more importance, the Afghan Minister said that there had been some talk of seeking Afghan air bases and roads. The British had asked this and had been refused; and at the time of the occupation of Iran the Grand Council of Afghans had determined that should any attempt be made to occupy those fields, Afghanistan would fight. They might last only a few hours or a few days, but they were going to fight anyhow if foreign troops were moved inside their borders.

I said that the Afghan Minister's views would receive consideration from this Government.

The Minister said that when the British had proposed that Afghan troops be made available to them, the Afghan Government had replied by proposing instead that Afghan troops would enter the war and fight side by side with the British if the British gave them arms. This the British had declined to do. (Though my knowledge of the northwest frontier is limited, I can readily see that the British might not want to arm a large Afghan force up there.)

A[DOLF] A. B[ERLE], JR.

890H.00/246 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, November 6, 1943—9 a. m.
[Received November 11—7:44 a. m.]

217. In continuation of the last paragraph of my telegraph number 144, July 20, 3 p. m., I am now able to present further Afghan reactions to war developments.

²² Nikolai Lenin, first Soviet Chief of State, 1917-24.

1. The fall of Mussolini and Italy's surrender²³ have had a profound effect in responsible quarters where the view prevails that Afghanistan must shape her policy according to the progress of the war. Despite the very strict secrecy maintained apprehension is disclosed regarding the future of Afghanistan in general and the dynasty in particular.

2. I believe the Prime Minister, the Minister for Foreign Affairs and a few other leading personalities are genuinely pleased to hear of Allied and especially American successes and that they have acquired a healthy respect for Allied military power and endurance. Most Afghans, even former pro-Nazi propagandists now believe that Germany and Japan are doomed and consider it prudent not to be too much identified with the losing side. Fate of Italy has shown them how dangerous Germany's friendship can be.

3. Afghan Government—while realizing that the outcome of the present international struggle is no longer in doubt—seems to find it difficult to make any bold or long range plans. Germany's theory Afghanistan only wants to be left alone, to have good relations with her immediate neighbors and to pursue the peaceful development of her natural resources. But in practice the governing classes are aware that Afghanistan needs help both diplomatically and economically although they would like to remain free to accept or refuse such help according to the dictates of a policy of enlightened self-interest. World events since 1938 have no doubt tended to increase the value of independence in Afghan eyes.

4. A careful study of the fundamental facts of the situation reveals that in the past the main lines of Afghan foreign policy have always been governed by apprehension of possible aggression from Russia or Great Britain. Owing to Afghanistan's geographical position as a buffer between Russia and India she had like Persia for years tried to play off one power against the other. This continued during the first part of the present war but when in 1941 British and Russian interests became identical the Afghans feared that this would reduce the importance of their country of [to] the new Allies. This made them hope vaguely for an Axis victory in the belief that they would then have nothing to fear from Soviet aggression after the war.

5. In order to improve their international position and yet keep out of the war at all costs the Afghans adopted a cautious policy of "insuring" against a victory of either side. They calculated that should the Axis win and the Afghan Government be unable to show that it had rendered some kind of assistance the dynasty was almost certain to be swept away by puppets of the Axis. They therefore took great care to avoid offending the Axis while paying Great Britain the unintentional compliment of taking it for granted that her good

²³ For correspondence on the overthrow of the Fascist regime and the Italian surrender, see vol. II, pp. 314 ff.

nature and generosity would continue to support the present Government even if the Allies won and would overlook little lapses from imperiling [*strict neutrality*] during the first years of the war!

6. Alarmed by the rapid and successful Russian military operations and convinced by the results of the recent Moscow Conference that Russia will not conclude a separate peace with Germany, the older and more experienced members of the royal family are now anxious to "insure" against an overwhelmingly Soviet victory and possible post war Soviet aggression by ingratiating themselves as much as possible with Great Britain and the United States. They may even duplicate hope that establishing closer relations with these countries might revive old Russian suspicions and enable them once more to play off not only Britain but also the United States against the Soviet. This new Afghan tendency to cultivate Anglo-American friendship will therefore require careful handling.

7. From the Afghan point of view the U. S. would be the ideal powerful friend to whom to cling especially as pro-British elements are still afraid to give public expression to their feelings. But they realize that in return for the diplomatic support and financial assistance they require they have comparatively little to offer and they are too cautious and proud to make definite requests or proposals unless they feel sure that these will not involve them in any political difficulties with Britain or the Soviets. They are quite prepared to make major readjustments or modifications in their foreign policy but they feel they have to play their cards very carefully if they are to find their true place in the Middle East. Having no share in the rivalries of Europe—Afghanistan is ready to exercise a stabilizing influence in Central Asia and on the northwest frontier of India provided only she can be reasonably certain that she will not be ground between the upper and nether millstones of rival powers striving for supremacy.

ENGERT

761.90H/51 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, November 22, 1943—10 p. m.

[Received November 25—11 : 08 p. m.]

224. 1. High Afghan officials do not conceal their disappointment that Moscow Conference should not have produced some definite announcement from which it would be possible to gauge future Soviet policy toward her neighbors and more particularly countries of the Middle East. They are seen [*surprised that Austria should have been*]²⁴ only country mentioned by name whose independence is guar-

²⁴ Bracketed corrections based on paraphrase of this telegram in Kabul Legation files.

anted and they are a little alarmed lest this imply that other small nations in Eastern Europe and the Middle East will not receive the same consideration.

2. German propaganda here is taking advantage of this uneasiness by declaring that Moscow Conference proves Russia's pretensions and ambitions to be unlimited and that she aims at complete domination even of Central Europe. Russia would also oppose any bloc of small nations such as exists under the Saadabad Pact²⁵ or a Balkan Federation, etc. which might become an anti-Soviet coalition under the aegis of the Anglo-Americans. The Soviets will not tolerate British or American influence in the Near and Middle East because they want to strengthen their position against the day of an attack by the capitalist powers. But neither Great Britain nor the United States will be willing to resist Russia for the purpose of protecting her small neighbors if she decided that "territorial adjustments" are required to give her impregnable strategic frontiers. Afghanistan will undoubtedly be forced to cast in her lot with the Soviets who will set up a government there prepared to do their bidding.

3. The Afghans, always acutely conscious of their close proximity to Russia, are only too ready to believe [such Nazi prognostications.] Whether Comintern is really dead or not interests them less than whether a Nationalist Russia will after the war again head a great pan Slav movement with pretensions to special influence in neighboring states. They look upon the precise value of Russian assurances as extremely doubtful because they have experienced what they consider the cynicism of both Imperial and Soviet diplomacy with all its obscure motives and baffling moves.

4. Although Afghanistan would certainly fight if Soviet expansionist aims should result in a southward move either in the shape of political and economic domination or a threat to the territorial *status quo*, well-informed Afghans realize, of course, that military resistance would be hopeless. They would, therefore, like to make it quite clear that Afghanistan's fundamental orientation is toward Great Britain and the United States rather than Russia and that they have no desire to fall under any Soviet hegemony. They hope England and America will take a direct and active interest in Persia and Afghanistan as they feel that the complete independence of the latter two countries is necessary in any post war organization dealing with questions affecting western Asia and India. But their meagre information regarding results of Moscow Conference leads them to believe that the Russian leopard has not changed his spots and that the west is probably powerless to do anything about it.

²⁵ Treaty of nonaggression, signed at Tehran, July 8, 1937, by Afghanistan, Iran, Iraq, and Turkey; League of Nations Treaty Series, vol. cxc, p. 21.

5. Please refer in this connection also to my telegrams 90, April 29, 101, May 16, 124, June 22, C 135, July 6,²⁷ and paragraph 6 of my 217, November 6.

6. Department may wish to send me for background purpose a brief confidential statement refer general attitude of Soviet Government during the Conference which—if discreetly used in connection with the official communiqués—may have a reassuring effect on the Afghans.

Code text sent to Moscow by air.

ENGERT

890H.014/8

The Secretary of State to the Minister in Afghanistan (Engert)

No. 69

WASHINGTON, November 23, 1943.

The Secretary of State transmits herewith as of possible interest to the Legation a copy of a memorandum of conversation²⁸ which recently took place between the Minister of Afghanistan in Washington and an executive officer of the Department.

Some difficulty has been experienced in identifying the treaty to which the Afghan Minister referred in so far as the Lake Victoria-Taghdumbash line is concerned, but research indicates that it is the treaty of March 21, 1905 (the Treaty of the Mole)²⁹ which confirmed certain arrangements made in 1895 with the Amir of Afghanistan.

It may be added that subsequent to the conversation reported in the attached memorandum, the Afghan Minister reaffirmed to other officials of the Department his opinion that the only issues at present existing between Afghanistan and Russia or between Afghanistan and Great Britain which are not capable of settlement by compromise are those affecting the frontiers. He maintained that in his personal opinion any attempt to settle these questions in a manner contrary to Afghan wishes would result in immediate military action by the Afghans. He added that the Afghan-Indian frontier presented no problem in so long as the British remained in India, but that the Government of Afghanistan would never permit that the Afghan tribesmen along the present northwest frontier of India should be subject against their will to the control of the Indians.

The Minister concluded his remarks with the interesting observation that if the tribesmen in question should by any chance prefer to remain with the Mussulmans of India, Afghanistan would come to them. It is not known whether the Minister intended to indicate by this remark

²⁷ Telegrams No. 124 and No. 135 not printed.

²⁸ Dated October 22, p. 29.

²⁹ Treaty between Great Britain and the Amir of Afghanistan continuing the engagements concluded with the late Amir, signed at Kabul, March 21, 1905, *British and Foreign State Papers*, vol. xcviII, p. 36.

that Afghanistan would not be averse to confederation in some such union of Moslem areas as is envisaged in Mr. Jinnah's³⁰ Pakistan scheme.³¹

761.90H/51: Telegram

The Secretary of State to the Minister in Afghanistan (Engert)

WASHINGTON, December 10, 1943—11 p. m.

117. The Department feels that no statement which could be forwarded you at this time would be more helpful than that made by the Secretary before Congress on November 18.³² This statement was transmitted in full in the Department's Radio Bulletin No. 277 of November 18. In the event that the radio bulletins are not being received regularly by the Legation from Bombay, the Department should be informed.

The Department has no information to the effect that Afghan fears are warranted and it is thought that reference to the four nation declaration,³³ mentioned in the Secretary's statement, and to the fact that no secret agreements were entered into should be reassuring. Reference your 224, November 22, 10 p. m.

HULL

INTEREST OF THE UNITED STATES IN CERTAIN PROBLEMS RELATED TO THE PRESENCE OF AXIS LEGATIONS AT KABUL

862.20290H/6: Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, May 24, 1943—noon.

[Received May 27—9:50 a. m.]

107. My 90, April 29, 11 a. m.³⁴

1. Last month Afghan Government arrested about 25 Bokharan refugees including son-in-law of ex-Amir of Bokhara because it discovered a plot to create disturbances in northern Afghanistan directed against Soviet Russia. Leaders are believed to be connected with German intelligence service in Central Asia which was established in 1941 to organize anti-Soviet uprisings in Russian Turkestan

³⁰ Mahomed Ali Jinnah, President of the Muslim League.

³¹ See section entitled "Interest of the United States in the Situation in India; Mission of William Phillips as Personal Representative of the President," pp. 178-231 *passim*.

³² Concerning the Tripartite Conference of Foreign Ministers at Moscow, October 18—November 1, 1943, Department of State *Bulletin*, November 20, 1943, p. 341.

³³ Declaration of Four Nations on General Security, issued at Moscow, October 30, 1943, by the Governments of the United States of America, the United Kingdom, the Soviet Union, and China; vol. I, p. 755.

³⁴ *Ante*, p. 22.

and to prepare a pan-Turanian movement which was later to have received the active support of Turkey. See paragraph 4 of my telegram 74, September 15, 1942.³⁶ Some of these intelligence agents have been operating in Northern Afghan[istan]³⁷ among refugees who have for over 10 years been drifting south with harrowing tales of alleged Russian oppression and brutality. Recently Nazi propaganda has also made much capital out of the so-called Soviet atrocities in Persia, and with German help these refugees and their Afghan sympathizers would undoubtedly be prepared to start a revolt in Turkestan, see also my despatch from Tehran series 52, January 10, 1938.³⁶

2. The Afghan Government has tried hard to prevent news of these arrests from becoming generally known but the British Government has decided to take advantage of the situation to put a stop to Axis intrigues also on the Indian border (see paragraph 7 of my telegram 59, August 27, 1942, and my despatch 170, April 30, 1943³⁸). British Minister³⁹ has therefore been instructed to demand the arrest of three Afghans and the strictest surveillance of 33 more—all of whom the British suspect of being in the pay of the Axis Legations to stir up trouble in Waziristan and other tribal areas under the influence of [the Faqir of Ipi].

3. Sir Francis Wylie is further to suggest that the personnel of the Axis Legations be reduced to a Minister and one Secretary each and to offer diplomatic safe conduct home for the others.

4. British authorities have also made available to the Soviet Government a list of some 60 Axis agents in Northern Afghanistan and the British Minister has been authorized to support the Russian Embassy if the latter desires to ask for their arrest too.

5. Should the Afghan Government decline to comply with the above demands or suggestions the British Minister is to state that his and the Soviet Governments would confer as to what further steps might become necessary. I assume it would be a demand for the expulsion of the Axis Legations.

6. Sir Francis has requested an audience with the Prime Minister⁴⁰ to present the above to him and he will inform me of the results.

7. Although the British have proof that the Chief of the King's Secretariat,⁴¹ who has also been arrested, was the principal schemer in the Bokharan plot it is not believed that either the King⁴² or members of his parties, had any knowledge of it.

³⁶ Not printed.

³⁷ Bracketed insertions based on paraphrase of this telegram in Kabul Legation files.

³⁸ Neither printed.

³⁹ Sir Francis Wylie.

⁴⁰ Mohamed Hashim Khan.

⁴¹ Mohamed Haidar Khan.

⁴² Mohammad Zaher Shah.

Please see in this connection my despatch No. 33 September 16, 1942.⁴³

Repeated to Moscow.

ENGERT

862.20290H/7 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, May 27, 1943—10 p. m.

[Received May 28(?)—4:42 p. m.]

110. My 107, May 24, noon. British Minister saw Afghan Prime Minister last night and tells me interview was rather stormy. Premier requested one week to consider his reply and Sir Francis agreed.

Foreign Minister⁴⁴ admits that Bokharan refugees arrested had been in touch with Axis Legations.

ENGERT

862.20290H/8 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, June 3, 1943—10 p. m.

[Received June 5—2:37 p. m.]

113. My 110, May 27.

1. Before the expiration of the week the Minister for Foreign Affairs sent for German Ambassador [*British Minister*] and told him on behalf of the Prime Minister that the Afghan Government had ordered the arrest of the 3 individuals in question and that the movements of the 33 others would be carefully controlled. He added, however, that it had not been possible to make any arrests as yet and that Ghaizal, the agent of the Faqir of Ipi in Kabul and considered the most dangerous of the three, had disappeared. Sir Francis replied that he expected to be informed very shortly that the arrests had been effected.

2. With regard to paragraph 3 of my telegram 107⁴⁵ the Foreign Minister said that the reductions in Axis Legation personnel was under consideration by the Afghan Government, as was also a British suggestion that the foreign exchange and other financial transactions of the Axis representatives be closely scrutinized and controlled and that the four Japanese engineers employed in Afghanistan be sent away. See in this connection my telegram 58, March 17, 10 a. m.⁴⁶

⁴³ Not printed.

⁴⁴ Ali Mohamed Khan.

⁴⁵ May 24, noon, p. 35.

⁴⁶ *Post*, p. 54.

3. The Foreign Minister in discussing the above points, was extremely friendly and conciliatory. He stated that as soon as they discovered the Bokharan plot they found evidence that the German Legation was implicated. He at once sent for Pilger,⁴⁷ the German Minister, and confronted him with the documents. Pilger could not deny them but promised that it would not happen again! The Foreign Minister then demanded immediate and most formal assurances from the German Government itself that such improper activities would cease. These assurances were received by telegraph a week later but the Department can judge for itself what such pledges from the German Government are worth.

4. The Soviet Ambassador⁴⁸ has just returned from Moscow after an absence of nearly 5 months. He tells me that his instructions are to demand the arrest of a considerable number of persons known to be engaged in subversive activities against Russia. He is also to suggest the reduction in Axis personnel but he cannot, of course, include the Japanese. He will see the Prime Minister in a few days.

5. Referring to paragraph 7 of my telegram 107 I now learn that individual in question was not the Chief of the Secretariat but only a translator in that office who was also a teacher of Arabic to some members of Royal Family.

6. It is now, of course, apparent that there is a direct connection between these recent developments and my telegram 10 [101], May 16⁴⁹ and paragraph 6 and 7 of my 80, April 12.⁵⁰

ENGERT

862.20290H/6: Telegram

*The Secretary of State to the Minister in Afghanistan (Engert)*⁵¹

WASHINGTON, June 5, 1943—8 p. m.

63. The Department realizes that the matter reported in your telegram no. 107, May 24, is of primary concern to the British and Russians and hence that the decision as to appropriate measures must be made by them. However, previous reports from the Legation have convinced the Department that any effort to force the Government of Afghanistan to expel the Axis legations or even to force that Government to compel those legations drastically to reduce their staffs is inexpedient and would be considered by the Afghans as an unjustified infringement upon their sovereignty with resultant bitterness towards all the

⁴⁷ Hans Pilger.

⁴⁸ Constantin Mikhailov.

⁴⁹ *Ante*, p. 24.

⁵⁰ See footnote 7, p. 24.

⁵¹ Repeated in substance, and in parts verbatim, to the Ambassador in the United Kingdom in telegram No. 3539, June 5, 11 p. m., with appropriate prefatory explanation, and with concluding statement: "In your discretion you may make known to the Foreign Office this Government's attitude." (862.20290H/6)

Allied Governments which would outweigh the benefits derived by the Allies and particularly by the United States Government. Hence if further representations on that subject are to be made it is desired that, with your British colleague's cognizance, you make known to the Afghan Government the position of this Government in the matter, which may be outlined as follows: The United States naturally views as prejudicial to its interests any activity of Axis sympathizers which might retard the British and Russian war efforts through the creation of disturbances along the Russian and Indian borders. In this connection it would be glad to see the Axis legations at Kabul closed or drastically reduced as to staff. It realizes, however, that the maintenance of Axis legations at Kabul is entirely a matter for decision by the Government of Afghanistan, and while it feels that Afghanistan's best interests are not served through the continuance of friendly relations with those countries whose disregard for right and justice throughout the world has been amply established, it does not associate itself with any effort now being made to prevail upon the Government of Afghanistan to sever relations with the Axis Powers or to reduce the staffs of the Axis legations. This attitude on the part of the United States Government is occasioned by its firm confidence in the friendship of Afghanistan and by its conviction that the Government of Afghanistan will naturally act in its own self-interest.

HULL

862.20290H/9 : Telegram

The Minister in Afghanistan. (Engert) to the Secretary of State

KABUL, June 8, 1943—1 p. m.
[Received June 9—7: 53 p. m.]

117. Department's telegram 63, June 5, 8 p. m.

1. As the Russian Ambassador has apparently not yet been able to see the Prime Minister and to carry out his instructions referred to in my 113, June 3 it is impossible to form a balanced view of the situation. However, I do not anticipate any necessity for the British and Soviet Governments to oblige the Afghans to close the Axis Legations. I understand the British Minister here is definitely opposed to such a move.

2. No reply has so far been received regarding "suggestion" that the personnel of Axis Legations be reduced but I believe that if the Afghan Government does not of its own accord and within a reasonable time act on the suggestion a demand to that effect might be formulated.

3. In view of that possibility and before I communicate to the Afghan Government the view of the Department as expressed in your telegram 63, I would respectfully suggest that you confer with the Foreign Office in London. The British Minister here has been most

loyally keeping me informed of his instructions and I assume you would wish to tell London of how you feel about the entire problem. It may serve to influence their policy.

4. Even if it should become necessary for us to make our position clear to the Afghans, I venture to suggest that the expression "does not associate itself et cetera" be not used either verbally or in writing. I fear it would merely confirm the Afghan Government in the belief fostered by the Axis that serious rifts exist in the Allied front. They would almost certainly exploit it not only in this particular instance but in all future contingencies when the United Nations may find it desirable to act jointly. I believe the independence of our viewpoint has already been amply demonstrated by virtue of the simple fact that we have not either directly or indirectly become involved in the Anglo-Russian representations.

ENGERT

862.20290H/10 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, June 11, 1943—8 p. m.

[Received 9:38 p. m.]

3953. Department's attitude, as outlined in telegram 3539, June 5, 11 p. m.,⁵² concerning the discovery of a plot to create disturbances in northern Afghanistan, was made known to the Foreign Office. In an *aide-mémoire* which has just been received the Foreign Office makes the following observations:

"1. His Majesty's Government in the United Kingdom and the Soviet Government have for some time been seriously concerned about the subversive activities of a number of Axis agents in Afghanistan. As the two Governments have proof positive that the activities of these agents are organized and financed by the Axis Legations in Kabul, and are directly prejudicial to their respective interests, they recently decided to request the Afghan Government to control these agents and also to suggest at the same time that they should reduce the staffs of the Axis Legations.

2. Sir F. Wylie handed to the Prime Minister on 27th May a list of 36 Afghan subjects known beyond doubt to be engaged in a subversive plot to damage British interests together with a list of Axis agents in both Kabul and in the North who are engaged in a similar plot to damage Soviet interests. It was realized that a demand for the prompt arrest of all the persons on the British list would be extremely embarrassing to the Afghan Government. His Majesty's Government therefore demanded the immediate arrest and imprisonment of only three and they left it to the Afghan Prime Minister to decide how best the remainder could be brought under sufficient con-

⁵² See footnote 51, p. 38.

trol to make it impossible for them to act as intermediaries between the Axis Legations and hostile elements on the frontier, including the Faqir of Ipi. If the Afghan Prime Minister expressed reluctance to agree, but only in that event, Sir F. Wylie was instructed to say that refusal to comply with our wishes would force us to consider our course of action with the Soviet Government. Further, our strong advice was that the Prime Minister in his own interests and working in his own time and in his own way, should take steps at once to reduce the staffs of all three Axis Legations which in any case had no genuine diplomatic work to do. The Prime Minister was also requested to ensure that the Axis Legations should be prevented from obtaining large quantities of extra Afghan exchange to finance subversive elements.

3. The Soviet Government have made parallel representations as regards the plot to disturb security on the Soviet Afghan frontier.

4. These representations which were carefully concerted with the Soviet Government were based on the imperative necessity of safeguarding security on the frontiers both of India and of the Soviet Union. As the threat to the security of these frontiers did not appear to affect the interests of the United States of America, His Majesty's Government did not seek the support of the United States Government for their representations to the Afghan Government, though as between allies His Majesty's Minister at Kabul was authorized to inform his United States colleague of the substance of his instructions.

5. In these circumstances, His Majesty's Government were surprised to learn that the United States Minister at Kabul had been instructed that if further representations were made he should make to the Afghan Government a communication which could not fail to encourage them to refuse the entirely reasonable requests which His Majesty's Government and the Soviet Government have made. In view of their special responsibilities in Afghanistan as a neighbor of India, His Majesty's Government would naturally have expected to be consulted before any such *démarche* was decided upon. Notwithstanding the instructions given to Mr. Engert, His Majesty's Government are happy to note that the United States Government appear to regard the activities of Axis agents on the Indian and Russian borders as prejudicial to United States as well as to British and Soviet interests, and would it is officially stated be glad to see the Axis Legations in Kabul drastically reduced as to staffs or, still better, closed.

6. It seems possible that the instructions which have been sent to the United States Minister at Kabul were based on a misapprehension. The advice offered to the Afghan Government for the reduction of the staffs of the Axis Legations has not been tendered in the form of a demand and it should be clearly understood that though His Majesty's Government and the Soviet Government would naturally have to discuss their future course of action if the Afghan Government should refuse the requests which have been made to them, His Majesty's Government have no present intention of asking them to expel the Axis Legations from Kabul. His Majesty's Government are fully aware of the internal difficulties with which the Afghan Government has to contend and it is solely for this reason that they have made such very moderate requests and as regards the Axis Legations have confined their action to advising the Afghan Government in their own interests to reduce their staffs.

7. Moreover, the State Department may not be aware that since his interview with the Prime Minister on the 27th May, Sir F. Wylie has also discussed this question with the Minister for Foreign Affairs (at the latter's request) on the 30th May. The Minister for Foreign Affairs, who was most friendly, informed Sir F. Wylie that the three arrests which we had demanded would be made; that immediate steps were being taken to control the other persons engaged in intrigues with our tribesmen; that the sale of Afghan exchange to the Axis Legations would be effectively controlled and that our advice regarding the Legation's staffs was under consideration.

8. His Majesty's Government therefore have good reason to hope that this matter will be settled satisfactorily as the result of the negotiations now in progress. On the other hand, if the United States Minister in Kabul acts on the instructions which have been sent to him, the only effect will be to convince the Afghan Government that, far from agreeing in principle with the Anglo Soviet requests, the United States Government entirely disapproves of them and the Afghan Government may very well draw the conclusion that the United States Government is prepared to support them if they should decide to refuse. This can hardly fail to precipitate the situation which the United States Government, His Majesty's Government and the Soviet Government alike desire to avoid, namely a refusal by the Afghan Government to take measures which are essential if security on the frontiers of Afghanistan with both India and the Soviet Union is not to be disturbed.

9. As the United States Government is not directly concerned with this question of security it may be doubted whether the Afghan Government would expect the United States Government to express its views on this matter; or again whether the latter would incur Afghan hostility unless they dissociate themselves from the Anglo-Soviet approach especially as the negotiations are proceeding quite satisfactorily. In the circumstances His Majesty's Government entertain the very strong hope that the United States Government will refrain from a *démarche* which could not fail to prejudice representations essential for the British and Soviet war effort and that fresh instructions may be issued as a matter of urgency to the United States Minister at Kabul."

The British position as developed in this *aide-mémoire* appears to me to be reasonable.

WINANT

862.20290H/11 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, June 13, 1943—9 a. m.
[Received June 14—6:52 a. m.]

119. Since my 117, June 8, 1 p. m., the Soviet Ambassador has had his talk with the Prime Minister in the course of which expressly asked for the arrest of a number of persons whom the British and Russian Governments believe to be conspiring against the Soviet authorities

in Russian Turkestan. He also advised that the German and Italian Legations be reduced to a Minister and Secretary each. According to the Ambassador the interview took place in a friendly atmosphere and the Prime Minister promised to see what could be done.

I gather from my British colleague that as in 1941 the British Government intends to keep the initiative and that for the present there seems to be no danger that the Russians will go further than the British wants them to go. So far their representations have been on parallel lines and they have agreed not to call on each other for support unless absolutely necessary.

ENGERT

862.20290H/10 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, June 16, 1943—6 p. m.

3716. Your 3953, June 11. Please give the Foreign Office an *aide-mémoire* in the following sense:

“The United States Government is glad to learn, from its Minister in Kabul and from the British Government’s *aide-mémoire* of June 11, 1943 that there is reason to believe that the Afghan Government will take satisfactory measures to control the activities of Axis agents in its territories as a result of the *démarche* already made and without the taking of steps by the British and Soviet Governments with which this Government could not associate itself. The American Minister at Kabul has accordingly been instructed⁵³ that he need take no action for the present.

“While it is appreciated that the British Minister at Kabul advised his American colleague of the action determined upon by the British and Russian Governments, the information thus supplied did not provide this Government with an opportunity to express its views until the British demands and suggestions had already been placed before the Afghan Government. Embarrassment might well be avoided in the future should the British Government consult the United States Government at an earlier stage with respect to courses of action of this character which it may contemplate.

“The United States Government has noted with some surprise the statement in the British Government’s *aide-mémoire* that the threat to the security of the Afghan-Indian and Afghan-Russian frontiers did not appear to affect the interests of the United States. It is felt that in making this statement the British Government has failed to give due consideration to the indivisibility of the United Nations’ war effort. As the British Government is of course aware, the United States Government has a very strong interest in the effective implementation of that global effort, in the Near East as elsewhere, along lines designed to promote stability and to minimize the chance of disturbances in areas now relatively quiet, disturbances which could

⁵³ Telegram No. 68, June 16, 7 p. m., *infra*.

not fail to divert substantial United Nations forces from their primary objective of engaging the enemy. The present case will have served a useful purpose if it assists in making this clear.”

Repeat your 3953 and this message to Kabul.

HULL

862.20290H/9 : Telegram

The Secretary of State to the Minister in Afghanistan (Engert)

WASHINGTON, June 16, 1943—7 p. m.

68. Your 117, June 8. Simultaneously with the despatch of the Department's 63 of June 5 to Kabul a telegram was despatched to the Embassy at London outlining the attitude of this Government and authorizing the Embassy, in its discretion, to make known that attitude to the Foreign Office. A telegram has now been received from London⁵⁴ stating that the Foreign Office was informed in the premises and transmitting the text of an *aide-mémoire* received from the Foreign Office. It is stated in the latter document that the British Government has no present intention of demanding the expulsion of the Axis legations and, with regard to the proposed reduction of staffs, that the British Government, being fully aware of the difficulties with which the Afghan Government has to contend, has done no more than to advise the Government of Afghanistan in its own self interest to reduce those staffs. It is further indicated that there is reason to believe that the Afghan Government will take satisfactory measures to control the activities of Axis agents in its territory as a result of the *démarche* already made and without the taking of steps by the British and Soviet Governments with which this Government could not associate itself. Pending further instructions from the Department it is the Department's desire therefore that you refrain from taking the action outlined in the Department's instruction of June 5.⁵⁵ You should, however, keep the Department fully and promptly informed of any developments which may take place.

HULL

862.20290H/12 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, June 17, 1943—11 a. m.
[Received June 18—8:28 a. m.]

120. My 119, June 13, 9 a. m.

1. As the British Minister has heard nothing further from the Afghan Government since his interview with the Foreign Minister

⁵⁴ Telegram No. 3953, June 11, 8 p. m., p. 40.

⁵⁵ Telegram No. 63, p. 38.

reported in paragraph 3 of my telegram 113, June 3, 10 p. m., he called on him yesterday and asked if the three conspirators had been arrested. The Foreign Minister replied that they had not but gave his word of honor that they would be.

2. Regarding the 33 others he said they had been warned that they must desist from any subversive activities[;] for several reasons, Sir Francis replied that this was not enough and insisted that they be placed under the strictest surveillance. Foreign Minister promised it would be done.

3. The Foreign Minister said that the financial transactions of the Axis Legations were being carefully scrutinized and he would welcome information from the British authorities regarding money spent in the northwest frontier area which would indicate that Afghan vigilance was inadequate.

4. With regard to reduction of Axis Legation staffs the Minister for Foreign Affairs said it would be extremely difficult to accept the advice of the British Government as the Afghan Government had no proof that the Italian and Japanese Legations were implicated. He admitted that the German Legation had been guilty of improper activities but the German Minister had been warned that at the first recurrence of such activities the Afghan Government "would change its policy". The Foreign Minister explained that this implied rupture of relations with Germany.

5. Sir Francis tells me that the Afghan Government's replies are not wholly satisfactory but that he is recommending to his Government that no further action be taken for the present provided of course the promises in paragraphs 1 and 2 above are carried out with reasonable promptness.

ENGERT

862.20290H/17 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, July 7, 1943—10 p. m.

[Received August 2—8: 23 p. m.]

137. My 120, June 17, 11 a. m. Under instructions from his Foreign Office the British Minister will tomorrow say to the Afghan Foreign Minister substantially the following and will leave an *aide-mémoire* with him.

1. The British Government "expects" to hear of the arrest of at least two of the three conspirators "in the next few days", and the spirit of Afghanistan's response will be judged by the speed with which these arrests are effected.

2. British Government would be glad to learn in the near future more than a mere warning had been issued to the other 33 and that their movements will be strictly controlled. Afghan Government

must expect that if subversive activities continue further urgent representations will be made.

3. Afghan Government's fear that a reduction in surplus staff of Axis Legations might lead to rupture of relations is "palpably baseless" in view of the interest Axis Governments have in maintaining legations in Kabul to obtain information. Surplus staffs have obviously no diplomatic functions and their intrigues should be as objectionable to the Afghan Government as they are to the British and Soviets. Neutrals have a clear obligation to prevent their territories being used by the Axis for conspiracies and espionage against the Allies, and the British Government has a right to see that effective steps will be taken to fulfill this obligation.

4. With regard to the four Japanese engineers the British Government desires to know the precise dates when their contracts expire and "expects to learn in the course of the next 2 months or so" that they have returned to Japan and that they will naturally not be replaced by others of Axis nationality.

5. The Afghan promise re control of Axis consecrated [*sic*] funds is accepted but if enemies of the British Government such as the Faqir of Ipi continue to receive money the Afghan Government may expect to hear further from the British Government because it will imply a leak in the exchange control.

ENGERT

862.20290H/14 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, July 8, 1943—9 p. m.
[Received July 11—3: 09 p. m.]

138. My 137, July 7, 10 p. m.

1. Afghan Minister of Foreign Affairs told the British Minister today in reply to the *aide-mémoire* that one man had been arrested and that he hoped the arrest of the others would follow soon. Several of the 33 were being removed from the areas where they might be dangerous and the rest would be closely watched.

2. With regard to reduction of Axis personnel he requested the British Minister to trust the Afghan Government to handle the matter in its own way which he said would be found entirely satisfactory.

3. The Japanese engineers would leave in a few months and he promised that no Axis nationals would take their place.

4. Axis financial transactions would continue to be closely scrutinized.

British Minister tells me he was favorably impressed by the Foreign Minister's attitude and especially by the fact that he made no attempt to argue or to deny the Afghan Government's responsibilities in the premises.

Please repeat this and my 137 to London if you deem it advisable.

ENGERT

862.20290H/15 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, July 15, 1943—noon.

[Received July 19—9:33 a. m.]

141. Soviet Ambassador has seen the Afghan Foreign Minister twice since my 119, June 13, 9 a. m. He informs me that at his last interview a few days ago he was instructed by Allied interests to say that the Soviet Government would continue to respect "Afghan sovereignty and independence" but that it must "insist" on the arrest of the most dangerous of a list of 51 conspirators which he had submitted over a month ago, and that the remainder must be removed from Russian frontier areas.

Moscow also reiterated its "strong advice" that the staffs of the German and Italian Legations be reduced as already mentioned.

Afghan Government replied in a very friendly manner that many of the persons on the frontiers had already been placed under arrest and that others would either also be arrested or moved to other localities.

With regard to the Axis Legations he repeated substantially what he had said to the British Minister—see paragraph 2 my telegram 138, July 8, 9 p. m.,—and added that he was sure the manner in which the question would be settled "will be appreciated by the Soviet Union".

The Ambassador will take no further action for the present.

Please repeat to Moscow.

ENGERT

862.20290H/16 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, July 30, 1943—10 a. m.

[Received August 2—5:27 p. m.]

154. Referring to paragraph 2 of my telegram 138, July 8, 9 p. m., Afghan Foreign Minister has informed British Chargé d'Affaires that the Italian Government has decided to withdraw its First Secretary of Legation in Kabul and that the German Government is recalling two of its employees who had been implicated in intrigues. Afghan Government is requesting the British for safe conducts.

ENGERT

701.6590H/6 : Telegram

The Chargé in Afghanistan (Thayer) to the Secretary of State

KABUL, August 31, 1943—7 p. m.

[Received September 1—10:04 a. m.]

170. Legation's 154, July 30, 10 a. m.

1. The Foreign Ministry has requested an American safe conduct for the members of the Axis Legations who are returning to Europe. As they are traveling from Karachi by troop ship to Basra and thence through Iraq and Syria to Turkey, I have told the Afghan authorities that so far as I am aware they will at no time in their journey be within the territorial jurisdiction of the American authorities military or otherwise. Consequently an American safe conduct appears to be unnecessary. This seems to have satisfied both Afghans and Axis as the request has not been repeated.

2. Four Axis nationals now plan to leave on September 5 though it is doubtful whether negotiations over the details of the journey will be concluded by that date. The four are: Enrico Anzilotti, Secretary of the Italian Legation; Drash Witzel, diplomatic courier of the German Legation, Doh, clerk of the German Legation and Fraulein Irene Gallein typist of German Legation who is marrying Witzel and will travel as his wife.

3. The Political Director of the Foreign Ministry informs me that the decision to expel the three men who were implicated in intrigues was taken 10 days before and communicated to the Italian and German Ministers 2 days before the British Minister asked for his interview with the Prime Minister to put before him the proposal to reduce the Axis Legation staffs (see paragraph 3 of Engert's 107, May 24, noon). My informant added that in view of the tone of the British *démarche* the Afghans had deliberately postponed action in the matter until after the departure of the British Minister himself. While I cannot vouchsafe for the accuracy of this statement I believe it to be substantially true.

THAYER

701.6590H/8 : Telegram

The Chargé in Afghanistan (Thayer) to the Secretary of State

KABUL, September 6, 1943—6 p. m.

[Received September 11—11:40 a. m.]

175. In view of possible importance of Italian information regarding Axis intrigues on Soviet and Indian frontiers, please instruct as to whether I should receive Italian Minister⁵⁶ if he should so request

⁵⁶ Pietro Quaroni.

as appears likely.⁵⁷ I shall not of course take any initiative in the matter unless so instructed. British Minister is requesting similar instruction.

THAYER

701.6590H/6 : Telegram

The Secretary of State to the Chargé in Afghanistan (Thayer)

WASHINGTON, September 14, 1943—7 p. m.

92. Your 170, August 31, 7 p. m. If Afghan Foreign Office again requests safe conduct for Axis nationals in question, you may issue under the authority of the Secretary of State and over seal of Legation a safe conduct on the part of the United States Government for their return to Europe. Indicate name, age, nationality, rank or occupation of each person and destination on safe conduct and if possible insert on safe conduct name and nationality of vessel aboard which they travel, sailing date, port of embarkation and ports of call.

Inform Department if you issue safe conduct or if persons depart without American safe conduct.

HULL

701.6590H/8 : Telegram

The Secretary of State to the Chargé in Afghanistan (Thayer)

WASHINGTON, September 16, 1943—5 p. m.

94. Your 175, September 6, 6 p. m. If you should be approached by the Italian Minister with a view to entering into friendly relations you may establish contact on a personal and informal basis, particularly if by so doing it appears that you will be in a position to obtain useful information.

HULL

701.6590H/9 : Telegram

The Chargé in Afghanistan (Thayer) to the Secretary of State

KABUL, September 23, 1943—10 a. m.
[Received September 26—9: 15 a. m.]

178. Department's 92, September 14, 7 p. m. The three Germans listed in my 170, August 31 are leaving Kabul September 25 for Peshawar whence they will be escorted via Karachi and Basra to Turkey. Since Karachi sailing schedules are very uncertain, name

⁵⁷ See section entitled "Overthrow of Fascist Regime in Italy; Italian surrender and recognition as co-belligerent," vol. II, pp. 314 ff.

and nationality of their ship is not known though British Legation here presumes it will be British transport. As Foreign Ministry has not repeated request for safe conduct I have not issued one.

Italian Minister here recently inquired of Foreign Minister whether in view of Italian developments Anzilotti's departure would still be necessary. He was informed that since Anzilotti's departure was requested because of intrigues against Afghan Government, development in Italy does not alter Afghan attitude toward him. However, it understands Anzilotti's reluctance to travel with Germans and has agreed to postpone his departure until after Germans have left, and until he can obtain instructions as to where to go from Victor Emmanuel's⁵⁸ Government. Anzilotti is therefore remaining in Kabul for time being. The British are raising no objections to this.

THAYER

865.01/471: Telegram

The Chargé in Afghanistan (Thayer) to the Secretary of State

KABUL, September 29, 1943—5 p. m.

[Received October 2—12:08 p. m.]

184. Reference to 181, September 27.⁵⁹ Squire,⁶⁰ British Minister, yesterday received instructions that the British and American Governments are treating the Brindisi Government⁶¹ as a co-belligerent against Germany.

After informing the Afghan Foreign Minister Squire communicated the above to the Italian Minister in an interview today.

The Italian Minister stated he was prepared to make available all information he had on Axis activities in Afghanistan and India but he warned the British Minister that British intelligence reports of these activities had probably been grossly exaggerated and that his information would be not only disappointing but perhaps might not be believed.

With regard to Axis relations with Afghanistan Quaroni said that the Prime Minister who completely dominates the Government has been consistently hostile to the Axis. Since the beginning of the war, except for a few days after the fall of France, he has openly demonstrated his belief in the inevitability of Allied victory. He has frequently vigorously defended this conviction to both German and Italian Ministers citing the example of Emir Habib-ul-Lah whose

⁵⁸ The King of Italy.

⁵⁹ Not printed; it reported a message from Marshal Pietro Badoglio, new Italian Head of Government, to the Italian Minister in Afghanistan (Quaroni) (865.01/455).

⁶⁰ Giles Frederick Squire.

⁶¹ Probably the Italian Government of King Victor Emmanuel and Marshal Badoglio.

policy of friendship for Britain had proved correct in the last war despite the opposing views of most other Afghans including Hashim himself. Hashim said that his policy of friendship for the Allies was tempered by the innate anti-British and anti-Soviet sentiment of the country and especially of the younger members of the Royal Family just as Habib-ul-Lah's had been in the last war. Quaroni pointed out that the Prime Minister has, for the past 18 months, refused on one pretext or another to receive either the German Minister or himself. He added that contrary to British suspicions he did not believe any important members of the Government have gone beyond the instructions of the Prime Minister by giving any materially useful information or assistance to the Axis Legations. (Abdul Hussein Aziz,⁶² who was reported on intimate terms with Quaroni, was not mentioned in the conversation. See Engert's 4, January 7).⁶³ With regard to Axis intelligence work Quaroni said it has been wholly ineffective since the arrest in 1941 of Hamid Subana the only competent agent the Germans had. He accused the other Germans of being extremely stupid and bungling in their methods and ready to be led up the garden path by every petty intriguer. The Japanese have been uncooperative, have not exchanged information with the Germans and have had few contacts with the Afghans. (Incidentally Quaroni gave the following figures as the latest Japanese Legation estimate of Allied Forces in India: native troops one million; American and Canadian half million; British 200,000; first line planes 1000; second line planes unknown).

With regard to subversive activities among the tribes Quaroni said Axis operations have been very much hampered by inept German management. Less than a million Afghanis (80,000 dollars) have been delivered to the Faqir of Ipi. He himself succeeded in sending the Faqir only one Lewis gun and several thousand rounds of ammunition.

Quaroni stated that the German Minister lacked force and intelligence. Ever since Wilhelmstrasse⁶⁴ had criticized him for his pessimistic reports he has confined himself to telling his superiors only what he thought they wanted to hear.

The conversation was confined to the general aspect of Axis activities but Squire plans to ask for more specific information shortly.

In evaluating the above it should be borne in mind that Quaroni is reported to be highly intelligent but vain and intolerant.

(Military Attaché requests pertinent portions of above be communicated to G-2).

[THAYER]

⁶² Afghan Minister in the United States.

⁶³ Not printed.

⁶⁴ German Ministry for Foreign Affairs.

894.20290H/14 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, October 13, 1943—8 p. m.
[Received October 15—10:23 a. m.]

179. Four Japanese engineers mentioned in my despatch 228, July 10,⁶⁵ left Kabul for Japan via Russia September 24 and crossed Russian frontier at Termez September 29. Please inform Moscow.

ENGERT

701.6590H/12 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, November 12, 1943—9 a. m.
[Received November 13—8:38 a.m.]

222. Italian Government desires Quaroni its Minister here to join Badoglio's new Foreign Office and suggests that Anzilotti remain in charge. British Minister has not yet delivered the message as we both feel that Afghan Government will not consent to Anzilotti's remaining for the reason stated in the second paragraph of Legation's telegram 178, September 23, 10 a. m. British Minister is awaiting further instructions from his Government.

ENGERT

701.6590H/13 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, November 23, 1943—11 a. m.
[Received 8 p. m.]

226. British Government has instructed its Minister in Kabul to deliver message referred to in my 222 of November 12. Quaroni states he will recommend that Italian Legation be closed altogether.

In order to take fullest possible advantage of remaining opportunities I propose to establish with members of Italian Legation social contacts which I have so far avoided. British Legation will do the same.

ENGERT

⁶⁵ Not printed.

EFFORTS BY THE UNITED STATES TO ASSIST THE AFGHAN GOVERNMENT IN SECURING THE EMPLOYMENT OF AMERICAN TEACHERS AND ENGINEERS

390H.1163/26 : Airgram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, January 24, 1943—11 a. m.

[Received February 23—4 p. m.]

A-2. Ever since my arrival⁶⁶ I have been giving a good deal of thought to the question raised in the Department's mail instruction No. 2 of August 19, 1942,⁶⁷ as to the possibility of establishing American missionary activities in Afghanistan.

The following expresses my considered opinion, but without of course having consulted any Afghan officials on the subject:

(1) The Afghan Government has been very consistent in refusing the establishment of any Christian missions in Afghanistan, and I am not aware that any foreign power has ever seriously challenged either the right or the practice of the Afghan Government of refusing missionaries permission to reside in the country.

(2) The present would, in my opinion, not be a very favorable moment to broach the subject. The Afghan Government is preoccupied with many serious problems of a political and economic nature, and would be reluctant to reconsider its policy—even if it wished to do so—at a time when every step taken by it is closely scrutinized, both by the Afghan people and foreign powers, and might perhaps be misinterpreted as a departure from strict neutrality.

(3) I see, however, no reason why after the war the question could not be presented to the Afghans in a perfectly detached manner and as part of the spiritual reconstruction of the world in harmony with the ideals for which we are fighting. Liberty of conscience and of worship is undoubtedly among the freedoms which the civilized world cherishes and which we hope to see adopted by as many countries as possible, not so much on purely religious grounds as for ethical reasons, general enlightenment, and international good will.

(4) The present Afghan Government is reasonably enlightened, but it has to deal with an extremely backward population which is very much under the domination of fanatical mullahs. It is therefore entirely out of the question to expect it to permit "missionary activities" in the narrow technical sense of the word implying proselytizing, the distribution of tracts, etc. Any government suggesting such a thing would be immediately overthrown, and any missionaries admitted into the country would be in serious danger of their lives.

(5) But in view of the fact that the Afghan Government has for a number of years been most anxious to procure American teachers one could perhaps interest some such organization as the "Near East Col-

⁶⁶ For correspondence relating to the opening in 1942 of the American Legation in Afghanistan, see *Foreign Relations*, 1942, vol. iv, pp. 44 ff.

⁶⁷ Not printed. This instruction repeated to the Legation informal inquiries from the Board of Foreign Missions of the Presbyterian Church in the United States of America as to the possibility of conducting missionary activities in Afghanistan. (390H.1163/23a)

lege Association" in selecting the teachers and in helping with the reform of the Afghan educational system. I believe the Afghan Government has, on the whole, been envious of the advantages offered to Persia by our missionary schools and hospitals, and it would undoubtedly welcome any schools and hospitals (along the lines of Robert College and the American University of Beirut) offered by American organizations, provided they are *not called* "missionary" and provided those connected with them do not attempt to convert Moslems to Christianity.

(6) The presence in Afghanistan of carefully selected American teachers and doctors would in itself constitute "missionary" work of the highest order. It is the kind of work which has made itself felt, slowly but surely, throughout the world by the example set by unselfish Christians whose personal integrity, clean lives, and intellectual honesty have "converted" thousands of men to the western (i. e. Christian) concept of life without outwardly changing their religion.

ENGERT

811.42790H/64 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, March 17, 1943—10 a. m.
[Received March 18—10:13 p. m.]

58. There is a possibility that if we could immediately furnish a first-class irrigation engineer and four surveyors we might be able to induce the Afghan Government to get rid of the Japanese now in the service of the Ministry of Public Works and referred to in paragraph 7 of my telegram 74, September 15, 1942.⁶⁸ These Japanese are now again employed in the Kandahar Province. See also telegram 44, February 21, 1943.⁶⁹

Please telegraph whether such American engineers could be supplied.

ENGERT

811.42790H/60 : Airgram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, March 17, 1943—8 p. m.
[Received April 9—12 noon.]

A-8. Reference is made to my telegram No. 74, September 15, 10 p. m.,⁶⁸ concerning Japanese activities in Afghanistan, and my telegram No. 58, March 17, 10 a. m.

1. An official of the Afghan Government has stated in strictest confidence and unofficially to the Secretary of the Legation that if

⁶⁸ Not printed.

⁶⁹ Not printed; this telegram referred to Japanese propaganda activities in Afghanistan (894.20290H/4).

one or more competent American irrigation engineers and surveyors could be obtained immediately from America, he could perhaps arrange for the removal of the four Japanese engineers now employed by the Ministry of Public Works. The official stated that the Afghan Government desired an irrigation specialist, preferably from the Denver office of the Reclamation Service, with the qualifications of men like Houk, Vetter or Waldorf, who might get a 4 or 5 year contract at about \$8,000 per annum. He would be chief consulting engineer for all irrigation projects in Afghanistan. The Ministry also desires four competent surveyors and two designing engineers for reenforced concrete and steel waterworks such as siphons, chutes, and drops. These would receive about \$4,000 per annum.

It is suggested that the possibility of obtaining these persons be investigated. If it is possible to find such personnel at this time the Legation could then endeavor to obtain an official confirmation of the request and might be able to induce the Ministry of Public Works to dismiss the Japanese altogether.

2. The same official stated that one of the most immediate projects of the Afghan Government was an aerial survey of the entire country. Considerable aerial photographic equipment has been purchased from the Swiss firm of Wild, but no proper airplane is available to the Ministry. The official expressed the opinion that if an experienced American aerial surveyor and the rest of the necessary equipment, including a plane, were furnished, the Afghan Government would sign a contract for the immediate commencement of the work. While I doubt whether the Afghan Government would begin the survey before the end of the war, such a survey (if undertaken) might be of considerable value to ourselves and our Allies. The Department may therefore desire to discuss the matter with the proper American authorities and inform the Legation whether the expert and the plane could be supplied.

ENGERT

811.42790H/52 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, March 31, 1943—8 p. m.

[Received April 2—1 : 40 p. m.]

74. Ministry of Foreign Affairs in a formal note requests assistance in obtaining 7 American teachers as soon as possible viz 2 each for physics, mathematics and English language and literature, and 1 for chemistry, must have masters degrees and at least 2 years teaching experience.

Afghan Government inquires what salaries such teachers would expect. The 3 now here receive \$220 per month plus small rent allowance.

Please refer in their connection also to my despatches 26, August 31 and 50, November 9, 1942.⁷¹

It is respectfully requested that a list of suitable candidates be submitted to the Afghan Minister in Washington when he arrives.

ENGERT

811.42790H/53 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, March 31, 1943—9 p. m.
[Received April 2—11 : 58 p. m.]

75. In considering the request of the Afghan Government in my telegram 74 immediately preceding I should like to stress the tremendous influence the right kind of Americans could exercise here both during and after this war. They should therefore be selected with great care and bearing in mind the observations in the second paragraph of my telegram 160, December 28, 1942⁷² as well as the contents of my airgram A-2 of January 24, 1943.

The Afghans are in the process of creating privately only a political and social organization. The entire structure of their life is still largely patriarchal with a highly developed sense of tradition. Like other Oriental peoples they are seeking to find salvation by copying foreign systems but the ignorant masses still view the West if not with hatred at least with deep suspicion. These changes are being effected amid much confusion and many stresses both from within and from without and many people regret the passing of the old and are perplexed by the advent of the new.

We therefore have a rare opportunity not only of access to a new nation in the making but of helping and guiding it in connection with the intimate problems of mental and moral adjustment which the pressure of modern forces have created. If the presence of tactful and intelligent teachers can add to the merely superficial modernization of the country a sincere effort to adapt the old Islamic creed and tradition to a new way of living we shall not only render a great service to Afghanistan but we shall make American idealism and justice and vision a positive and constructive force in the whole of Central Asia.

ENGERT

⁷¹ Neither printed; these despatches referred to the departure from the Afghan service of two American teachers whose employment had been secured earlier in 1942 through the informal good offices of the Department (390.1115/5274, 811.42790H/48).

⁷² See footnote 3, p. 21.

811.42790H/61 : Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, April 20, 1943—4 p. m.
[Received April 23—4:06 p. m.]

85. Minister of Public Works ⁷³ has today confirmed to me his desire to obtain with the least possible delay the engineers mentioned in my 58, March 15 [17], 10 a. m. and airgram 8, March 17, 8 p. m. He stipulates that the chief irrigation engineer should have at least 10 years' experience.

The Minister states he is also very anxious to engage a first-class city planning engineer, a sanitary engineer, 2 road and [bridge] engineers, 2 structural engineers and 2 architects. Salaries about \$4,000 per annum except for the city planning engineer who would get about \$6,000.

From the Minister's conversation it was evident that he had been instructed by the Prime Minister ⁷⁴ to convey to me the impression that the Afghan Government was quite willing to entrust to us most of the technical development of the country as well as the education of its youth. This implies a complete break with the past when German influence was strongest entrenched in the Ministry of Public Works due to the pronounced admiration for Germanic culture and efficiency of this same Minister. As outlined in my telegram 129, November 28, 1942 ⁷⁵ the infiltration of Germans on an ever increasing scale until 1941 had swamped Afghanistan with specialists, experts, technicians and instructors in a wide range of occupations all over the country who went out of their way to ingratiate themselves with the Afghans. This created a tendency to turn to Germany for machinery and armaments and gave the Nazis an opportunity to practice their militarized diplomacy which if unchecked would have given them the economic and political control of the Middle East.

In view of this reorientation of Afghan policy I cannot stress too strongly the necessity of selecting American personnel with the utmost care provided we are willing—as I feel we should be—to help at all. Apart from professional qualifications they must have tact, patience and adaptability in primitive surroundings. I am sure the Department could help very much by bringing to the attention of candidates also the wider aspects of the situation alluded to in my telegram 75, March 31, 9 p. m.

ENGERT

⁷³ Rahimullah Khan.

⁷⁴ Mohamed Hashim Khan.

⁷⁵ Not printed.

811.42790H/54a: Telegram

The Secretary of State to the Minister in Afghanistan (Engert)

WASHINGTON, April 29, 1943—10 p. m.

54. Your 85, April 20. We agree that this appears to be an excellent opportunity for this Government to be of assistance to Afghanistan. We are accordingly actively working on the matter and are in a position already to present the names of some suitable candidates for the positions of teachers and engineers. Is it the desire of the Afghan Government that the contractual arrangements should be effected through the new Minister when he arrives or does it wish to suggest some other procedure? We doubt if the salaries offered will be adequate for the high type of persons whom we would want for these positions, but for your strictly confidential information consideration is being given to the possibility of supplementing the salaries offered from funds which may be made available from other sources.

HULL

890H.64A/11½: Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, May 3, 1943—2 p. m.

[Received May 4—12:25 p. m.]

93. Department's 54, April 29, 10 p. m. The Foreign Minister⁷⁶ has asked me to tell you how very grateful his Government is for the Department's assistance in finding suitable teachers and engineers. In order to save time he suggests that the names, qualifications, salaries, etc., be listed in order that the Afghan Minister can immediately upon his arrival get in touch with the candidates and sign contracts as soon as details are arranged.

Please refer to my confidential message in telegram No. 94 which follows.⁷⁷

ENGERT

811.42790H/56: Telegram

The Minister in Afghanistan (Engert) to the Secretary of State

KABUL, May 3, 1943—4 p. m.

[Received May 5—10:23 a. m.]

94. Personal for Under Secretary Welles. I hesitate very much to give my blessing to arrangement suggested in last sentence of Depart-

⁷⁶ Ali Mohamed Khan.⁷⁷ *Infra*.

ment's 54, April 29, 10 p. m. As these teachers and engineers will presumably remain here for several years it is almost certain that receipt of supplementary payments would leak out. Consequences would be disastrous not only to individuals concerned but to our relations with Afghanistan. Our exceptional standing in the country is due precisely to belief in disinterestedness of our motives and would be irretrievably destroyed if Afghan Government suspected American experts to be agents in disguise.

If absolutely impossible to find personnel at salaries Afghans can afford I suggest candidates be first made federal employees under e. g. Commissioner of Education or Department of Agriculture at nominal salaries representing supplements it is desired to give them. Afghan Government would consider it quite normal for such persons on being loaned to Afghanistan to continue to receive portion of salaries from U. S. Government towards maintenance of dependents at home, etc. This arrangement would of course have to continue for duration of contract and not only duration of war.

ENGERT

890H.64a/6 : Airgram

The Secretary of State to the Minister in Afghanistan (Engert)

WASHINGTON, July 7, 1943—5:30 p. m.

A-18. The Department has procured and submitted to the Afghan Minister⁸¹ the names of seven Americans who it is believed are highly qualified for teaching positions in Afghanistan. Delay in the final selection of the men has been occasioned, however, on two grounds: (1) The men were selected as qualified to teach specific subjects as enumerated by you, but the Minister here wished to communicate with his Government to ascertain precisely the various subjects in which each man would be expected to be competent. He has only now received a reply from Kabul. It is feared of course that because of the delay some of the men chosen may have accepted other positions. (2) As it is felt that the salaries offered by the Afghan Government will not induce men of the proper qualifications, including those tentatively selected, to accept the positions, the number which can be provided will probably depend upon the sum available in this country to augment the Afghan salaries. The Department has recently learned that the sum originally promised for this purpose will not be forthcoming and as the Department has been unable thus far to secure definite information as to the amount which may be available, it has been unable to urge final selection of the men desired by the Afghan Government. Efforts are now being made to procure the necessary sum from the President's Emergency Fund, and a decision as to the amount of

⁸¹ Abdol Hosayn Aziz.

money, if any, to be available for the purpose envisaged is expected shortly. If the Bureau of the Budget should not concur in the Department's recommendation, however, and funds to augment the Afghan salaries should thus not be available, it is possible that no teachers of suitable qualifications will be willing to accept the positions offered.

A somewhat similar situation exists with regard to the engineers, except that no moneys for use on their behalf can be expected from the President's Emergency Fund, and except that it was ascertained before submission of the latter's names to the Minister that funds originally promised from another source might not be forthcoming. Accordingly no names of engineers have as yet been placed before the Minister and the matter had not been discussed with him pending the ability of the Department to determine exactly which, if any, engineers might be made available.

The Minister recently informed the Department, however, that he had received a cablegram from his Government instructing him to endeavor to secure the following: "1. One Chief engineer with experience of at least twenty years in hydraulic and irrigation engineering, river control and regulation, and in design and construction of low and high dams of various categories. 2. Two structural engineers, specialists in the design of large canal structures such as syphons, drops, check gates, etc. 3. Four first class surveying engineers."

No reference was made by the Minister to any desire of his Government to secure engineers of the other types mentioned in your A-8 of March 17 and your 85 of April 20. However as substantial augmentation of the engineers' salaries is even more essential than is augmentation of the teachers' salaries if highly qualified men are to be supplied and as it now appears highly unlikely that the necessary funds can be procured from any source, the Department is doubtful that the positions can be filled in the United States. Efforts in that regard are, nevertheless, being continued.

The Department is fully aware of the desirability of sending these men to Afghanistan as a means of strengthening friendly relations between the two countries and has been strenuously endeavoring to make the necessary arrangements since your first suggestion with regard to the matter. Were it not for the difficulties encountered because of the inadequacy by current American standards of the Afghan salaries and the lack of any specific funds available to the Department for the purpose envisaged, the arrangements would long since have been completed at least in so far as possible action by this Government is concerned.

The Minister has been informed that the salaries offered by his Government may not be sufficient to attract men of the desired qualifications and hence that augmentation may be necessary from an

American source. He has informally agreed to such change in the contracts as may be necessary in this regard.⁸² Your suggestion that the men be employed by the United States Office of Education or the Department of Agriculture cannot be followed as existing law is not sufficiently comprehensive to permit civilian employees of this Government to accept pecuniary remuneration from the Government of Afghanistan. Such funds as may be furnished from an American Governmental source must therefore be dispensed as grants in aid.

The Minister has stated that his Government cannot agree to make payment in dollars but he claims that the Bank of Afghanistan will readily arrange for remittance to the United States of any part of the salary when requested by the individual recipient. In view of this statement would original payment in Afghanis or pounds sterling be a satisfactory arrangement in your opinion?

It may be added that the general question of contracts may occasion further difficulty. The Minister has now stated that the contract as submitted with your despatch 184 of May 27 rather than the contract transmitted with your despatch no. 157 of April 20⁸³ will be required for teachers as well as for engineers. The Legal Division of the Department was asked to examine the contract as transmitted with your no. 184 and has informally expressed the opinion that the wording is so unfavorable to the employee and would give the Government of Afghanistan such arbitrary powers in its relations to the employee that the Department should in no circumstances encourage American citizens to sign it. The Department is therefore informing the Minister that it can assist him in procuring the services of Americans only if a new contract is drawn up, and is suggesting that he procure local counsel with a view to providing a contract which would be satisfactory both to the Government of Afghanistan and to such American citizens as might be desirous of securing employment with the Government of Afghanistan.

HULL

890H.42A/23 : Telegram

The Secretary of State to the Minister in Afghanistan. (Engert)

WASHINGTON, November 15, 1943—8 p. m.

107. The Department regrets that its best efforts to procure teachers and engineers have thus far met with little success. Your No. 216, November 5.⁸⁴ When the Department's 87 of August 24⁸⁴ was dis-

⁸² Such augmentation of salaries would be made possible by drawing upon funds provided for the Department's cultural relations program, and apparently before this airgram was sent the approval of the Bureau of the Budget for an expansion of funds was obtained.

⁸³ Neither printed.

⁸⁴ Not printed.

patched six highly qualified young men had tentatively been selected as teachers and their departure was considered dependent only upon the completion of certain formalities. Decision to enter the armed forces or illness of family members subsequently caused four to withdraw. Of the remaining two, one has failed to secure the permission of his draft board to leave the country and representations on the subject by the Department have been unavailing. Other possible candidates interviewed in the past 2 months have now all announced their inability to accept the positions. There remains therefore but one candidate who has only now received a release from his draft board. Efforts will be made to expedite his departure.

The Minister has been informed that other candidates for teaching positions cannot be procured this year but that if he so desires the Department will with the help of the Office of Education commence efforts to interest teachers in similar appointments next year. Several of those previously interviewed have already indicated that they might be able to accept the positions at that time.

Efforts to procure engineers were until recently equally discouraging as all persons interviewed were found either to lack the necessary qualifications or withdrew their applications. However, within the past several weeks two men have been found who are believed to be highly qualified for the positions of structural engineers. Their names have been submitted to the Minister and he is now in communication with them. The Department is also in communication with seven men who would be well qualified to fill the four surveying positions which the Minister indicates are available but as yet no definite intimation has been received from any one of them regarding the probability of his acceptance. The Department has enlisted the support of several engineers of nation-wide prominence with a view to finding a suitably qualified chief engineer. Two possible candidates have been found, one of whom would be excellent but who is unable to determine for another 10 days whether he will be available. The other is anxious to secure the position but his qualifications have not yet been satisfactorily established.

The compensation now being offered both teachers and engineers is entirely satisfactory. The difficulty is due to the fact that those qualified persons who would prefer to remain at home can find locally a plethora of acceptable positions while with few exceptions those who would normally be eager for employment abroad have been taken into the armed forces or are engaged in other work connected with the war effort.

The Minister has been fully informed of all steps taken and appears to appreciate the difficulties involved.

890H.64A/28a : Telegram

The Secretary of State to the Minister in Afghanistan (Engert)

WASHINGTON, December 16, 1943—9 p. m.

119. Efforts to procure engineers continue to be unsuccessful. Of the two candidates for position of Chief Engineer mentioned in Department's telegram no. 107, November 15, one was found not to be qualified and the other decided to accept another position. The two structural engineers with whom the Afghan Legation is in communication as mentioned also in the telegram under reference have indicated their readiness to accept the positions if certain clauses in the contract can be changed. The Minister has expressed to the Department his readiness to make such changes as the laws of Afghanistan permit and the matter is being discussed at length with him in the next few days. Of the 7 possible surveyors mentioned, only 1 is willing to accept the position. Several other persons have recently indicated an interest in the surveying positions and their qualifications are being investigated. Correspondence with additional persons believed to be highly qualified for the position of Chief Engineer is continuing, but without definite development at the moment.

Mr. John L. Savage, Chief Designing Engineer of the United States Bureau of Reclamation, is proceeding shortly to the Punjab and to China at the invitation of those Governments. It would be possible for him to make a short visit not exceeding 2 or 3 weeks to Afghanistan for consultation with the Ministry of Public Works after the completion of his duties in the Punjab, probably during March. If the Legation considers that such a visit would serve any useful purpose, the Department can arrange for the visit without expense to the Afghan Government. It is thought that his visit might convince the Afghans of the interest of this Government in their problems and that Mr. Savage might provide helpful advice as to the best manner in which Afghan engineering needs can be met. He is considered one of America's leading irrigation engineers. His major projects include Boulder, Grand Coulee, Shasta and Imperial dams as well as projects for the U. S. S. R., Puerto Rico, and Santo Domingo. He has also held the position of Vice President of the International Commission on Large Dams of the World Power Conference.

It is expected that he will depart from the United States within the next three weeks. Telegraphic advice regarding the Legation's opinion as to the desirability of his proposed visit is requested.⁸⁵

HULL

⁸⁵ In telegram No. 243, December 19, 1943, the Minister in Afghanistan replied that the Afghan Government was delighted to extend an invitation to Mr. Savage (890H.64A/29). Arrangements completed by the Department resulted in a week's visit by Mr. Savage to Afghanistan during the period April 22 to April 29, 1944.

EGYPT

PROPOSAL BY THE UNITED STATES FOR A LEND-LEASE AGREEMENT WITH EGYPT

883.24/207

The Department of State to the Egyptian Legation

AIDE-MÉMOIRE

As the Government of Egypt is aware, on February 23, 1942 this Government concluded a lend-lease agreement with the United Kingdom¹ pursuant to the provisions of the Lend-Lease Act of the United States of March 11, 1941,² and has since concluded similar agreements with China, the Soviet Union, Belgium, Poland, the Netherlands, Greece, Czechoslovakia, Norway, Yugoslavia, and Liberia. Australia and New Zealand also have accepted the principles of the agreement with the United Kingdom. These agreements seek to state as accurately as is now possible the basis on which aid under the Act is furnished, and to assure the greatest possible degree of cooperation in the task of post-war economic reconstruction through agreed action open to participation by all other like-minded nations.

After careful consideration in the light of the Lend-Lease Act and of the policies developed thereunder, this Government believes that a lend-lease agreement with Egypt similar to the agreements with the United Kingdom and other nations would be mutually advantageous. Accordingly, there is attached for the consideration of the Egyptian Government a draft text of such an agreement, and of accompanying exchange of notes.³ In the examination of these documents the following points may be noted :

1. The text of the proposed agreement is the same in substance as that signed between the United States and the United Kingdom.

2. The draft exchange of notes sets forth some-what more specifically than the master agreement the terms of payment for goods and services furnished to Egypt under the Act of March 11, 1941. They also include a paragraph with respect to the disposition after the present war of certain installations on Egyptian territory. It is believed that the proposed collateral exchange of notes would be flexible enough in practice to meet all possible contingencies without causing undue hardship to either party to the agreement.

¹ Signed at Washington, February 23, 1942, Department of State Executive Agreement Series No. 241, or 56 Stat. (pt. 2) 1433.

² 55 Stat. 31.

³ None printed.

3. With reference to the conversations contemplated by Article VII of the proposed new agreement looking forward to agreed action "directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods" and to the attainment of the other objectives stated in the Article, the Government of the United States would be prepared to enter into informal and exploratory discussions at the convenience of the Egyptian Government.

A copy of the lend-lease agreement with the United Kingdom referred to in the first paragraph, and a copy of the Joint Declaration made on August 14, 1941,⁴ referred to in Article VII of the draft agreement submitted herewith, are enclosed for convenient reference.

WASHINGTON, August 9, 1943.

883.24/242a : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, December 28, 1943—10 p. m.

2008. Please ascertain informally reason for delay of Egyptian Government in authorizing signature of master lend-lease agreement presented to the Egyptian Minister here on August 9, 1943. We have recently inquired concerning this matter of the Minister here who had no definite information to give us.

HULL

[The Minister in Egypt in several reports during early 1944 stated that the delay in signing the Lend-Lease Agreement was due to the difficulties of the Egyptian Government in reconciling the different views of the various agencies concerned with lend-lease. On June 20, 1944, the Egyptian Legation presented the Department of State with a note agreeing with the principles and main features of the Department's draft but proposing a number of changes. In reply, in a note of August 14, 1944, the Secretary of State expressed the reluctance of the United States Government to change the wording of the master Lend-Lease Agreement, since it reflected specific provisions of the Lend-Lease Act of 1941, except to take into account Egypt's nonbelligerent status; the note, however, gave assurances in response to the Egyptian proposals. In telegram No. 3665 of December 4, 1944, 6 p. m., the Minister in Egypt reported that differing views among Egyptian agencies and changes in the Government still delayed action on the agreement. (883.24/292, 8-1444, 12-444)]

⁴ Joint statement by President Roosevelt and British Prime Minister Churchill, known as the Atlantic Charter, *Foreign Relations*, 1941, vol. I, p. 367.

POLICY OF THE UNITED STATES WITH RESPECT TO DIRECT REQUESTS
FROM THE EGYPTIAN GOVERNMENT FOR AID

883.24/148a : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, February 4, 1943—10 p. m.

202. General Andrews⁵ has informed the War Department that the Egyptian Government is requesting through the Legation at Cairo two Lockheed Lodestar passenger planes to be paid for in cash. He states that, although the British object to this transaction, he favors it as a contribution to the successful conclusion of current negotiations regarding military jurisdictional rights.

Please endeavor to ascertain the purpose for which the Egyptian Government desires these planes and inform the Department whether you consider it advisable to accede to this request.

HULL

883.24/149 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, February 8, 1943—3 p. m.

[Received February 9—8:23 a. m.]

300. The planes referred to in Department's 202, February 4, 10 p. m., are required by Misr Airwork, an Egyptian concern which, owing to fact that it is Government subsidized and managed by Director of Civil Aviation in Ministry of National Defense, may be regarded as an Egyptian Government operation to even a greater extent than British Overseas Airways Corporation is regarded as a British Government organization. Misr Company maintains service with Cyprus, Beirut, Palestine, Alexandria as well as special services under contract with British and Egyptian Armies and in furtherance of war effort offers priority to military in mail and passenger traffic.

According to information supplied by director of Civil Aviation the present fleet of 8 planes of which majority have completed over 7,000 hours of flying are no longer capable of maintenance with any degree of safety and regularity and 2 planes with spares ordered from England in 1941 sunk in transit in November 1942. It is essential that planes be obtained immediately in order to continue service and accordingly Lockheed Lodestar type is desired as they can be flown to Egypt. The request is for 2 such planes fitted for passenger service for which cash will be paid as well as cost of flying to Cairo either by manufacturer or by courtesy Pan Air.

⁵ Lt. Gen. Frank M. Andrews, Commanding General, U. S. Army Forces in the Near East.

I am personally familiar with the operation of Misr Airwork of which president is former Minister of National Defense and can vouch for urgency of requirement for new planes. It is my opinion that the supply of these planes would not only assist in the furtherance of the war effort but would have a beneficial effect on American-Egyptian relations. I hope that the Department will so recommend.

KIRK

883.24/150 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, February 16, 1943—9 a. m.

[Received 9:35 a. m.]

351. Personal for Wallace Murray.⁶ Would you be inclined to expedite favorable action on the project described in my 300, February 8, 3 p. m. This looks to me like a legitimate way to furnish in wartime an Egyptian interest, the accomplishment of which would be ascribed to the good will of our Government only and so would contribute a much needed enhancement of exclusively American prestige in Egypt.

KIRK

883.24/149 : Telegram

The Acting Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, February 27, 1943—9 p. m.

322. Your 300, February 8, 3 p. m. The request of the Egyptian Government to be furnished with two Lockheed Lodestar planes for the use of Misr Air Line has been submitted to the appropriate military authorities in Washington. These authorities, however, have disapproved this request because of the urgent need of the United States Armed Forces for planes of this type.

You may in your discretion inform the appropriate Egyptian authorities that it is greatly regretted that these planes cannot be furnished at the present time because of the compelling military needs of the Armed Forces.

BERLE

883.24/150 : Telegram

The Acting Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, February 27, 1943—10 p. m.

323. Your 351, February 16, 9 a. m. Personal for the Minister from Wallace Murray. I regret that the military authorities have

⁶ Adviser on Political Relations.

found it impossible to make available the two planes desired for the use of Misr Air Lines. I am convinced, however, that the military authorities have gone into the question very carefully but found it impossible to furnish the planes at the present time because of the very urgent need of our Armed Forces for planes of this type. [Murray.]

BERLE

883.24/155 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, March 2, 1943—11 a. m.

[Received 4 p. m.]

438. Personal for Wallace Murray. Your 323, February 27, 10 p. m. I appreciate all you have done but must say that I see no way I can convince the Egyptians that we are so strapped for planes that we can't spare two, especially as even as early as last year when airplane production had not reached the proportions of today, the British supplied the Misr Air Works with two planes which were unfortunately sunk in transit.

Do you think that two planes of a different type could be supplied or promised for delivery at a later date.

KIRK

883.24/163 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, April 5, 1943—10 a. m.

[Received April 5—9:36 a. m.]

647. Legation was approached latter part February British Embassy here which stated that it intended to send a note to Egyptian Foreign Office stating that arrangements had been made some time ago between British and Egyptian authorities concerned whereby orders for "warlike and other stores" from abroad should be placed by Egyptian Ministry of National Defense through British Military Mission of Egyptian Army, but that attempts had recently been made to place orders with various British and United States organizations without intervention of British military authorities. Embassy draft note expressed hope that Egyptian Government would in future arrange that all National Defense Ministry orders should be passed to British military authorities through British Military Mission. If supplies were required from United States British military authorities could "arrange for necessary orders to be placed with American military authorities."

Embassy expressed hope this Legation would send similar note to Egyptians, but there then appeared to be no reason for the Legation to approach the Egyptian Foreign Office in the sense of the British Embassy note as the Legation was not a party to the above mentioned arrangements alleged to have been made between the British and Egyptian authorities on which the British representations were to have been based. Embassy subsequently referred to existence agreement between London and Washington⁷ whereby combined Munitions Assignments Board regards requests for supplies of military goods to countries in this area as British responsibility. Legation replied that it would have to consult competent American authorities, in this case General Crawford, Commanding Services of Supplies, United States Army Forces Middle East who is also military Lend-Lease representative here.

General Crawford then stated he would consult War Department before expressing opinion and now informs Legation he has received reply from War Department according to which Legation will be advised by State Department regarding decision reached.

Legation has in meantime been approached informally by high official Ministry National Defense who asked if Legation or United States Headquarters here are prepared assist Egyptians to obtain from United States such American supplies as British are unable to obtain. According to this official, Egyptian authorities have no objection placing orders through British Military Mission, but have been informed by the latter that British are not in position obtain more than a fraction of Ministry's needs in American supplies which consist at present chiefly of spare parts for Egyptian Army trucks.

Present position here is that Embassy has not yet sent note to Foreign Office, but states it proposes to do so independently, realizing that our position in this manner differs in certain respects from theirs. Egyptians, however, will undoubtedly continue to approach Legation regarding American attitude in this manner and I shall appreciate Department's views. While realizing necessity of establishing definite channels for requests for military equipment I feel that as matter of general policy it would be undesirable for Egyptian authorities to be denied access to Legation in this or any other matter unless adequate reasons can be given therefor.

KIRK

⁷ Lend-Lease Agreement signed at Washington, February 23, 1942, Executive Agreement Series No. 241, or 56 Stat. (pt. 2) 1433.

883.24/163 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, April 29, 1943—5 p. m.

593. Your 647, April 5, 10 a. m. Please endeavor to ascertain British Embassy's interpretation of the phrase "warlike and other stores" particularly with reference to what types of goods are embraced by the term "other stores".

HULL

883.24/170 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, April 30, 1943—4 p. m.

[Received 4:09 p. m.]

799. Department's 593, April 29, 4 [5] p. m. To avoid reopening discussion British Embassy has not again been approached in premises. Embassy originally stated that phrase in question was intended to refer to all supplies required from abroad by National Defense Ministry whether or not they were of a purely military nature. Embassy draft note copy of which forwarded to Department with Legation's despatch 973 of April 5⁸ stated that procedure in question should apply to orders "falling within budget of Ministry of National Defense".

Since Department Civil Aviation, for example, is part of National Defense Ministry there would appear to be no doubt that any of that Department's requirements would be subject to proposed procedure.

KIRK

883.24/155 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, April 30, 1943—7 p. m.

604. Your 438, March 2, 11 a. m. Personal for the Minister from Murray. In connection with our continuing efforts to resolve questions arising in regard to the availability of two planes for Misr Airworks it would prove helpful to ascertain, with reference to the Department's no. 593, April 29, 5 p. m., whether these planes may or may not be regarded as included among "warlike and other stores".

It is assumed that Misr Airworks still desires these planes from the United States and has not made arrangements to secure them from other sources. [Murray.]

HULL

⁸ Not printed.

883.24/171 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, May 3, 1943—5 p. m.

[Received May 3—2:09 p. m.]

815. Department's 604, April 30, 7 p. m. Personal for Wallace Murray. As stated in my 799, April 30, 4 p. m., which evidently crossed your telegram, the British here apparently consider "warlike and other stores" to include anything that falls under budget of national defense. While Misr Airwork is administered by Department of Civil Aviation, which was formerly section of Ministry of Communications and now happens to be part of Ministry of National Defense, Misr is still technically a private company and payment for planes in question might not necessarily be made out of National Defense Ministry budget. I therefore feel that to consider the two planes requested by Misr as "warlike and other stores" would be stretching matters and there is no doubt that Egyptians would feel the same way. On the other hand if the specific question were put to the British here they would probably reply that the planes should be considered to fall within that definition.

Misr is still most anxious to obtain the planes and I hope that they will not lose out on some technicality.

KIRK

883.24/163 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, June 7, 1943—5 p. m.

746. Your 647, April 5, 10 a. m. You should inform the British Embassy and make known to the appropriate Egyptian authorities that it is the policy of this Government to receive direct inquiries from the appropriate Egyptian officials regarding the availability of American military supplies to meet their needs and that such supplies will be furnished to them if it is feasible to do so.⁹

If similar inquiries are made by the Greek authorities¹⁰ regarding the attitude of this Government with respect to such matters you may advise them in the same sense.

In communicating this information to the British Embassy you should state that, in accordance with established procedure, finished munitions are assigned by the Munitions Assignments Board on which the British are represented.

⁹ For correspondence regarding the policy of the United States to deal directly with independent governments of the Near East with respect to furnishing military supplies, see pp. 1 ff.

¹⁰ Mr. Kirk was concurrently Ambassador to the Greek Government in Exile established at Cairo.

You may keep General Spalding¹¹ advised of the steps you take in accordance with the foregoing, adding that the War Department is being advised of the present instruction and stating for his confidential information that Admiral Leahy,¹² on behalf of the American Joint Chiefs of Staff, has expressed approval thereof.

HULL

883.24/185: Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, June 24, 1943—11 a. m.

[Received June 25—8: 55 a. m.]

1137. Department's 746, June 7, 5 p. m. British Embassy advised of policy as set forth in Department's telegram under reference and Egyptians will be informed first appropriate opportunity. Matter also discussed with American Army Service Forces Headquarters staff here who state they have received instructions from War Department generalizing policy outlined in Department's telegram to apply to all independent countries in this area and authorizing their acting as channelizing medium therefor except for Turkey. Army states instructions very general, however, and more specific directions have been requested from War Department.

Please verify identification of General in concluding paragraph since Spalding not now in this area although he occasionally visits.

KIRK

883.24/194: Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, July 12, 1943—9 a. m.

[Received July 13—10: 40 a. m.]

1226. My 1137, June 24, 11 a. m. Controller General of Egyptian Ministry National Defense who originally approached Legation on subject has been orally advised of policy described in Department's 746, June 7, 5 p. m. Arrangements have been made for him to consult informally with appropriate officer of Army Service Forces Headquarters here in preparing any lists of essential requirements which Defense Ministry may wish to submit for consideration by American authorities.

KIRK

¹¹ Brig. Gen. Sidney Spalding of the War Department, then in the Near East.

¹² Adm. William D. Leahy, Chairman of the Joint Chiefs of Staff.

AGREEMENT BETWEEN THE UNITED STATES AND EGYPT RESPECTING JURISDICTION OVER CRIMINAL OFFENSES COMMITTED BY THE ARMED FORCES OF THE UNITED STATES IN EGYPT, SIGNED MARCH 2, 1943

811.203/213 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, January 15, 1943—noon.

[Received 7 p. m.]

81. For Department's information, following are further developments in regard to jurisdictional question dealt with in my 2177, December 12, 6 p. m.¹³

On January 2, Foreign Office in a memorandum stated that Egyptian Government was prepared to agree that American military personnel (uniformed) which [*would*] in criminal cases be amenable to jurisdiction of American military tribunals but that as regards American civilians attached to the American Armed Forces, Egyptian Government would decide in each case whether criminal cases involving such persons would be tried by Mixed Courts or by American military tribunals. This arrangement is acceptable to American military authorities here.

With regard to claims for damages (and Egyptian authorities are insisting that something be included in agreement on this subject), memorandum states that Egyptian Government must insist upon a Mixed Commission, that claims awarded under \$1000 be paid immediately, and that awards over \$1000 be paid immediately up to that amount and balance be brought to the attention of Congress for authorization. Our military authorities here do not object to a Mixed Commission in principle but state that legal impediments exist to setting up such a Commission and to payment of \$1000 in advance on claims over that amount. We have two alternative suggestions: (1) that Mixed Commission be called a Committee and that its awards under \$1000 be subject to approval by United States Claims Commission for Middle East; or (2) that injured parties be given option of filing civil suits in Mixed Courts against individuals or claims with the United States Claims Commission for Middle East. Under British treaty arrangements British Consular Court, competent for personal status cases, decides claims against British Armed Forces and British Government pays such awards. Egyptian Government is unwilling to confer such jurisdiction on our Consular Court for personal status cases and neither the Legation nor our military here desire such jurisdiction.

Our negotiations have again been made more difficult by a fracas which occurred at Port Said on January 2 involving three American

¹³ *Foreign Relations*, 1942, vol. iv, p. 93.

soldiers, who themselves were seriously injured, in which one Egyptian was killed and another injured.

KIRK

811.203/221 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, February 2, 1943—1 p. m.
[Received February 2—9:17 a. m.]

238. My 81, January 15, noon, regarding military jurisdiction in Egypt. The successful conclusion of an agreement is being held up on the one hand because of the insistence of the Egyptian authorities that the agreement contain provisions for the determination and payment of damages to victims of crimes and misdemeanors of American troops (also for injuries caused involuntarily) and on the other hand because of the apparent inability of our military authorities to agree to the Egyptian formula. Substantially that formula would provide for a Mixed Claims Commission or Committee composed of an American and an Egyptian member and in cases of disagreement of a third and neutral member; for the application by the Committee of appropriate Egyptian laws with respect to damages as well as applicable American law and equity whichever is more advantageous to the victims for the immediate payment of awards up to \$1,000; and for the immediate partial payment of \$1,000 on awards over that amount, the balance to be submitted to Congress as a claim.

While our military legal advisers here are willing to agree to the provision concerning the applicable laws, they are of the opinion that it is legally impossible to agree to a mixed committee or to partial payments on claims over \$1,000. Their views are based on the provisions of the act approved January 2, 1942¹⁴ United States Code Title 31, [§] 224 *d*.

As it seems that our negotiations may be held up indefinitely on these questions, would the Department please confer with the War Department and advise the Legation and the Military Headquarters in Cairo how far we can go in meeting the desires the Egyptian authorities (1) for a Mixed Claims Commission, and (2) for immediate partial payment of \$1,000 on awards over that amount, the balance to be submitted to Congress with the support of the War Department. In considering the foregoing it should be borne in mind that the Egyptian authorities are willing to concede to our Military Courts complete criminal jurisdiction over uniformed military personnel and that we should take special steps to meet their wishes in regard to the foregoing points.

¹⁴ An act to provide for the prompt settlement of claims for damages occasioned by Army, Navy, and Marine Corps Forces in foreign countries, 55 Stat. 880.

An urgent reply is requested as a second case in which an American soldier killed an Egyptian occurred in Cairo on January 31.

This telegram has been shown to the Commanding General here and has his approval.

KIRK

811.203/222 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, February 3, 1943—11 a. m.

[Received 2:40 p. m.]

252. The killing of the Egyptian by an American soldier (Frank V. Meider) referred to in my 238, February 2, 1 p. m., makes it imperative that an agreement be reached on the question of jurisdiction at the earliest possible date. The killing at Port Said (mentioned in my 81, January 15, noon) did not precipitate the question because the crime did not occur in the Capital and because there were mitigating circumstances in favor of the soldier. Killing on January 31 occurred Cairo; from the information made available to me it is a case of murder with no mitigating circumstances except drunkenness; and it has come to the attention of the Prime Minister. He first insisted that the soldier be turned over to the Mixed Court and it was only after conferences with him, the Minister of Justice, the Under Secretary of State, and various advisers and by dint of much persuasion that he finally agreed that the soldier might be kept in custody, ostensibly ill, in American military hospital under military and police guard pending a prompt conclusion of the agreement regarding jurisdiction provided that I inform the Ministry of Foreign Affairs (which I did by letter dated January [February] 2 that the soldier was ill and under guard as indicated above and that the American military authorities will place him at the disposal of the Mixed Courts when the state of his health permits. It was privately understood that the Mixed Courts will refrain from taking action for two or three weeks to give us time to conclude the agreement.

Our military authorities have agreed to keep the soldier in a military hospital under guard and I naturally assume that they will, although I have been seriously disturbed by isolated impression that has reached me of the view that the soldier should be flown out of Egypt to remove him from Egyptian jurisdiction. Hence, I repeat, it is imperative that an agreement be reached immediately because we cannot afford to have the entire position of our Armed Forces in Egypt jeopardized by an open rupture with the Egyptian authorities in a matter of this kind.

By way of suggestion in connection with the difficulties outlined in my 238, February 2, 1 p. m., would it not be possible for us to agree

to the Mixed Commission and the payment of its awards regardless of amount and avoid the legal difficulties, if they exist, by having the President of the United States direct (which action need not be communicated to the Egyptian authorities) the United States Claims Commission for the Middle East, set up under authority contained in the act of January 2, 1942 (United States code 31, 224 *d*), to confirm and pay as *pro forma* acts all awards of the Mixed Claims Commission up to \$1000 and that he direct the War and Navy Departments to pay amounts over \$1000 (which are likely to be rare) from special funds at their disposal. We also desire the views of the State and War Departments on the question of the desirability of having the Mixed Commission composed of two Americans and two Egyptians rather than one each as a Commission of that size might minimize the number of occasions when a neutral member would have to be called in. The Egyptians will agree to either one or two members each.

The Navy Department should also be consulted in this matter as there will be cases involving their personnel in Egypt.

In connection with the past delay in this matter, I wish to add for the Department's confidential information that our negotiations which have been in progress since last spring have been delayed from time to time due to frequent changes in and absences of the legal military personnel at Headquarters here.

KIRK

811.203/224 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, February 9, 1943—4 p. m.

[Received 5:29 p. m.]

313. My 252, February 3, 11 a. m. I have just been shown telegram received by our Military Headquarters from War Department stating in substance that while discussions with State Department are going on concerning this matter War Department (1) holds that under international law American Military Courts are entitled to exclusive jurisdiction our American soldiers in Egypt, (2) that War Department cannot agree to Mixed Commission, and (3) that Headquarters should not turn over in future to Egyptian authorities any military personnel although authority is given to keep any agreement made with me for turning over prisoner to Egyptian authorities "for trial".

With regard to above quoted words I agreed with approval of local headquarters that prisoner would be handed over for inquiry or investigation without referring to a trial. If, however, soldier were turned over and no agreement reached on general question of jurisdiction, I fear that Egyptian authorities would not return him.

With regard to bearing on international law as interpreted by War Department I failed see if such were their view why they ever considered it necessary in so far as criminal jurisdiction is concerned to negotiate agreements with other countries where our troops are based or for War Department through General Maxwell¹⁵ here (see my 1704, September 25, 5 [4] p. m.,¹⁶) to have asked Legation to try to negotiate agreement limited in scope covering Egypt. In the absence of a treaty similar to Anglo-Egyptian treaty of 1936¹⁷ and with Egypt technically not at war the situation of our troops in Egypt in so far as the application of international law is concerned is anomalous as these troops are not here by invitation, by treaty, [or?] right of conquest (see my 1020, June 18, noon¹⁸).

I agree that it is unfortunate that Egyptian authorities injected claims question to negotiations but they have done so and were presumably prompted to do so because British and other Allied military authorities in Egypt have been dilatory and niggardly in approving and plying [*paying*] claims, authorities have been too prompt in this respect as the setting up of our Middle East Claims Commission here was not announced until January 6.

I am taking no further action pending receipt Department's instruction which I hope will not be long delayed.

KIRK

811.203/222 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, February 9, 1943—midnight.

233. Your 238 February 2 and 252 February 3. In view of situation which has developed you are instructed as follows:

1. Department considers that presence of armed forces of the United States in Egypt is obviously of advantage to Egypt as well as the United States and therefore sees no reason why there should be hesitation regarding the conclusion of an arrangement concerning jurisdiction over such forces.

2. This Government considers that it has the right under international law to exclusive jurisdiction in criminal matters over its armed forces in Egypt. It must insist upon the exercise of this right. The proposal for an agreement on the subject was made out of deference to the Egyptian Government and recognition of this Government's rights in the matter can not be regarded as a concession.

¹⁵ Maj. Gen. R. L. Maxwell, Commanding General, Services of Supply, U. S. Army Forces in the Middle East.

¹⁶ *Foreign Relations*, 1942, vol. iv, p. 89.

¹⁷ Anglo-Egyptian treaty of friendship and alliance, signed at London, August 26, 1936, League of Nations Treaty Series, vol. CLXXIII, p. 401.

¹⁸ *Foreign Relations*, 1942, vol. iv, p. 89.

3. The Department does not consider that the question of claims for damages to persons or property has any bearing on the question of this Government's right to exclusive jurisdiction in criminal matters over its armed forces or that that question has any place in an agreement relating to jurisdiction. The jurisdiction referred to has been recognized by other Governments on whose territories American forces are stationed and it has not been the practice to make provision in such agreements for the settlement of claims such as are here in question.

4. This Government can not agree to the Egyptian proposals for a mixed claims commission. The military authorities are authorized by an Act of Congress to set up military commissions in foreign countries to settle claims for damages caused by members of our armed forces. The awards of such military commissions have met with general approval in the countries where they have functioned. In addition to the fact that there is no legal authority for establishing a mixed commission such as the Egyptians suggest or for paying its awards the practice of the War and Navy Departments in these matters must be uniform and, as you will appreciate, the granting of concessions to one country would only give rise to demands for like concessions by others. Aside from these considerations it would probably be greatly to the advantage of the Egyptians to have their claims adjudicated by military commissions. Not only would such cases be disposed of more expeditiously but under the law and regulations these military commissions are authorized to make awards in practically all cases of damage except those resulting from negligence of the injured party. Thus, many claims are allowed in which there is no legal liability under the laws of the United States or under international law. While authority to pay awards of military commissions under the Act of January 2, 1942 is at present limited to claims of \$1,000 or less the War Department is seeking legislation to increase the limit to \$5,000, and to authorize it to certify to Congress claims above \$5,000.

5. You will please communicate with the Egyptian Government in the sense of the foregoing and endeavor to conclude at the earliest possible moment an agreement recognizing the right of the United States to exclusive jurisdiction in criminal matters over members of its armed forces in Egypt.

6. Department cannot approve your commitment to place the American soldier (Frank V. Meider) at the disposal of the Mixed Courts and you should take no steps to carry out the commitment without instructions from the Department.

HULL

811.203/235 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, February 15, 1943—11 a. m.
[Received February 15—7: 58 a. m.]

341. I am communicating with the Foreign Office on the question of military jurisdiction in Egypt as instructed in the Department's 233, February 9, midnight. For use in further discussions please advise whether State and War Departments also insist upon criminal jurisdiction over civilians attached to our Army and if so whether they include civilians of both American and alien nationality. As reported in my 2177, December 12, 6 p. m.¹⁹ Egyptian Government was opposed to conceding criminal jurisdiction over civilians particularly non-American civilians employed locally in Egypt many of whom are Egyptian nationals. An early reply would be appreciated.

KIRK

811.203/237 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, February 16, 1943—10 a. m.
[Received February 16—7: 45 a. m.]

352. It is essential that I have an immediate answer to the questions regarding civilians raised in my 341 February 15, 11 a. m.

KIRK

811.203/240 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, February 17, 1943—4 p. m.
[Received February 17—3: 51 p. m.]

359. My 352, February 16, 10 a. m. Egyptian Government willing accord criminal jurisdiction but still insists upon reserving right to decide whether civilians of American nationality attached to such armed forces will be tried by Mixed Courts or handed over to American military courts. Foreign Office states right would seldom be exercised but that right must be reserved because Greek Government now also trying to negotiate an agreement would insist upon our agreement as precedent, and Egyptian Government is most unwilling to concede to Greece absolute criminal jurisdiction over civilians because of the thousands of Greek civilians in Egypt attached to Greek Army, many of them with dual Egyptian nationality.

KIRK

¹⁹ *Foreign Relations*, 1942, vol. iv, p. 93.

811.203/235 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, February 18, 1943—1 p. m.

278. Your 341, February 15 and 352, February 16. This Government desires exclusive jurisdiction in criminal matters over members of its armed forces. However, as regards civilians attached to such armed forces, the formula set forth in your no. 81 of January 15 is satisfactory, that is, this Government would be prepared to agree to allow the Egyptian Government to decide in each case where a civilian is charged with a criminal offense whether he should be tried by the mixed courts or by American military tribunals.

HULL

811.203/241 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, February 18, 1943—9 p. m.

[Received February 18—4:05 p. m.]

369. My 359, February 17, 4 p. m. Situation relative to agreement concerning military jurisdiction is as follows: Egyptian Government will reply to my representations setting forth views of United States Government on question of right of criminal jurisdiction under international law by stating that it does not accept views of United States Government but is prepared as gesture of good will to accord such jurisdiction. This grant will be embodied in formal note from Prime Minister to me stating in substance that for duration of war immunity from jurisdiction in criminal matters will be granted to members of United States Armed Forces in Egypt and outlining procedure to be followed. This draft has approval of military legal advisers here but they as well as Legation are urgently awaiting reply to my telegram under reference regarding civilians.

I would reply to foregoing note thanking Prime Minister following which in capacity of and authority as Military Governor would issue proclamation in *Official Journal*.

At same time foregoing notes are exchanged, I would in order to meet difficulty which has been raised in matter of Mixed Claims Commission, address informal note to Prime Minister acquainting him of our existing procedure for handling claims for damages caused by members of armed forces and he would reply stating that such procedure appears satisfactory but that he must reserve right to raise question later if in practice that procedure does not accord justice to Egyptian claimants. Proposed notes in foregoing connection also have approval of military legal experts here.

Because of possibility of matter being raised in Parliament, Prime Minister desires to exchange these notes this weekend and for that

reason it is essential that authorization be given at once as requested in my 359, February 17, 4 p. m.

KIRK

811.203/241 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, February 19, 1943—5 p. m.

286. Your 369, February 18. You are authorized to exchange notes with Egyptian Government on the basis indicated in your telegram under reference and in the Department's reply to your 359, February 17.

HULL

811.203/242 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, February 23, 1943—10 a. m.

[Received 11:37 a. m.]

404. Department's 286, February 19, 5 p. m. Signing of notes regarding military jurisdiction is being delayed on account of illness of Prime Minister and resulting impossibility of convening Council of Ministers to approve arrangement.

KIRK

811.203/245 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, March 2, 1943—4 p. m.

[Received March 2—2:25 p. m.]

441. Department's 286, February 19, 5 p. m. and my 404, February 23, 10 a. m. Notes regarding military jurisdiction exchanged this morning at home of the Prime Minister and proclamation implementing the grant will appear in *Journal Officiel* tomorrow. Owing to local political considerations, I am maintaining that any publicity on this matter should emanate from Egyptian sources. Copies of notes will be sent in next air pouch in few days.

Inform War Department.

KIRK

[For text of agreement between the United States and Egypt regarding jurisdiction over criminal offences committed by the armed forces of the United States in Egypt, effected by an exchange of notes signed March 2, 1943, see Department of State Executive Agreement Series No. 356, or 57 Stat. (pt. 2) 1197.]

ETHIOPIA

ETHIOPIAN REQUESTS FOR LEND-LEASE AID, FINANCIAL ASSISTANCE, AND TECHNICAL ADVISERS FROM THE UNITED STATES

884.24/93 : Telegram

The Consul at Asmara (Smith) to the Secretary of State

ASMARA, January 2, 1943—noon.

[Received 3 : 55 p. m.]

1. Reference my telegram dated December 12, 11 a. m.¹ Have just received the following telegram from Ethiopian Foreign Minister

“I am commanded by His Imperial Majesty ² to request you to be so good as to convey the expression of his gratefulness to President Roosevelt for the announcement of lease and lend authorization to Ethiopia.³ Furthermore, I am commanded by His Imperial Majesty to ask you if it is possible for you to call on us to discuss matters of vital importance.[⁴”]

I recommend appointment Commanding Officer of Eritrea Service Command, Colonel Edwin Clark, graduate of West Point and Harvard Law.

SMITH

884.24/95 : Telegram

The Consul at Asmara (Smith) to the Secretary of State

ASMARA, January 6, 1943—11 a. m.

[Received January 8—5 : 52 p. m.]

3. I have been requested to forward the following telegram to President Roosevelt.

“I thank you for your wishes which I reciprocate and am grateful Mr. Talbot Smith, your Consul, informing me that you have made Ethiopia eligible for lease-lend assistance. I wish to assure you that every possible wish will be made that lease-lend assistance should be used to the best interest of the United Nations towards the war effort. We are expecting Mr. Talbot Smith to visit us at Addis Ababa shortly in order to discuss fully lease-lend arrangements. Haile Selassie”.

See my telegrams December 12, 11 a. m.,⁴ January 1 [²], noon.

[SMITH]

¹ Not printed; it suggested “appointment Commanding Officer Eritrea Service Command United States of America as agent lend-lease for Ethiopia” and requested information as to how aid would be extended (884.24/91).

² Haile Selassie I.

³ Department of State *Bulletin*, December 12, 1942, p. 999.

⁴ Not printed.

884.24/93 : Telegram

The Secretary of State to the Consul at Asmara (Smith)

WASHINGTON, January 18, 1943—10 p. m.

12. Your no. 1, January 2, noon. You are confidentially informed that the Department is considering the reopening of the Legation at Addis Ababa.⁵ In view of the possibility that a diplomatic representative may be sent to Addis Ababa in the near future, it is considered advisable to await a definite decision of this question before authorizing an American official to proceed to Ethiopia for discussions with the Emperor and other Ethiopian officials.

You may inform the Ethiopian Foreign Minister therefore merely that this Government hopes to be able to dispatch an official to Ethiopia in the near future for discussions in compliance with his request.

HULL

884.24/95 : Telegram

The Secretary of State to the Consul at Asmara (Smith)

WASHINGTON, January 26, 1943—5 p. m.

21. Please effect delivery to the Emperor of Ethiopia of the following message from the President:

"Mrs. Roosevelt and I reciprocate Your Majesties' expression of good will so graciously extended to us.

With reference to Your Majesty's conversation with the American Consul, Mr. Smith, during his recent visit to Ethiopia, I am pleased to state that consideration is being given to the reopening of the American Legation at Addis Ababa. I expect soon to ask Your Majesty's agreement to the appointment of an American diplomatic officer at Addis Ababa, and hope that it may be possible to have the representative agreed upon proceed there in the near future. He will, of course, be glad to participate in the discussions desired by Your Majesty. Franklin D. Roosevelt."

HULL

884.24/95½ : Telegram

The Consul at Asmara (Smith) to the Secretary of State

ASMARA, February 1, 1943—10 a. m.

[Received 10:57 a. m.]

13. General Maxwell⁶ and Colonel Clark Commanding Officer Asmara will be at Addis Ababa February 9. Colonel Clark suggests

⁵ For previous correspondence on consideration by the Department of State of the resumption of diplomatic representation in Ethiopia, see *Foreign Relations*, 1942, vol. iv, pp. 100 ff.

⁶ Maj. Gen. R. L. Maxwell, Commanding General, Services of Supply, U. S. Army Forces in the Middle East.

I go up with him to report to the Department probable inquiries on lease-lend by Emperor. Shall I proceed?

SMITH

884.24/95½ : Telegram

The Secretary of State to the Consul at Asmara (Smith)

[Extract]

WASHINGTON, February 6, 1943—10 p. m.

24. Your no. 13, February 1, 10 a. m. You are authorized to accompany General Maxwell and Colonel Clark to Addis Ababa.

HULL

884.24/113

*The Emperor of Ethiopia (Haile Selassie) to President Roosevelt*⁷

ADDIS ABABA, 12 February, 1943.

YOUR EXCELLENCY: In the anticipation of the arrival of your official representatives, who will be coming to discuss Lease Lend assistance which you were so good to extend to Ethiopia, We take advantage of Major-General Maxwell's early contact with you to renew by his intermediary the thanks which we transmitted to Your Excellency by telegram on December the 31st.

It is a pleasure to Us to give this assurance that We are fully prepared to make use of Lend Lease assistance in such a way as will be to our mutual benefit.

It is gratifying to Us to learn from your telegram that you are giving the fullest consideration to the question of the re-opening of the American Legation at Addis Ababa for the resumption of diplomatic relations between the Governments of the United States of America and Ethiopia. This has been My constant wish.

We shall be glad to welcome Your Excellency's diplomatic representative at Our Capital in the near future and as We are anxious on Our part to appoint a diplomatic representative to your country, We shall be happy if you be so good as to let Us know Your Excellency's agreement.

Your Good Friend,

HAILE SELASSIE I, EMPEROR⁸

⁷ This letter and the one printed *infra* were transmitted to the Department by President Roosevelt on March 5.

⁸ Signature in Amharic on the original.

884.24/113

The Emperor of Ethiopia (Haile Selassie) to President Roosevelt

ADDIS ABABA, 12 February, 1943.

MY DEAR PRESIDENT ROOSEVELT: I welcome the opportunity offered to me by the visit of Major General Maxwell to Addis Ababa to express anew the admiration and deep esteem which I nourish for you and the People of the United States of America.

It has been for me a great pleasure to welcome at our Capital Major-General Maxwell and to meet in his person one of the Authors of the Victory which smashed the power of the Axis in North Africa.

Major-General Maxwell's visit to our Capital offered me the opportunity of making known to him the relations that I earnestly wish should exist between the United States of America and Ethiopia.

I am assured of the friendly feelings of Major-General Maxwell towards me and my country. It was therefore with pleasure that I have set forth fully before him my wish and desire in the course of the friendly conversation which I had with him on February the 11th. Major General Maxwell told me that he expects to go soon to America. I am therefore taking this opportunity to ask him to convey this message, and to request him to communicate to you a report of our conversations.

The United States of America are fighting under your enlightened leadership a war for human freedom and liberty as is traditional to them. The principle and sacred cause you so unswervingly defend has become a source of hope to humanity in this distressed world. Ethiopia is one of those nations who look forward to an early new era of justice and good deeds.

I renew the assurance that Ethiopia, following the foot-steps of the United States of America, is ready to share, within her power, the efforts and, if necessary, the sacrifices required to reach the common end.

May the Almighty guide and assist you in your difficult task.

Yours sincerely,

HAILE SELASSIE I, EMPEROR⁹

884.24/112½

The Consul at Asmara (Smith) to the Secretary of State

[Extracts]

No. 88

ASMARA, February 18, 1943.

[Received May 4.]

SIR: I have the honor to report to the Department that in accordance with the authority granted me in the Department's telegram

⁹ Signature in Amharic on the original.

dated February 6, 10 p. m., I left Asmara at 5:00 a. m. on February 9th, motoring to Gura, and taking a U. S. Army plane to Addis Ababa, arriving about 9:30 a. m.

That morning I called on the Foreign Minister, Mr. E. Medhen, who had taken the post held by B. Lorenzo Tazaz, who was the Foreign Minister when I visited Addis Ababa in September, 1942. The new minister was a very polished gentleman, spoke English very well, and was much more impressive than his predecessor. I said that I presumed that my last telegram to him regarding the reopening of the American Legation at Addis Ababa had pleased him. This was the Department's no. 21, dated February 3 [*January 26*], 5 p. m., to me, which I sent to the Minister of Foreign Affairs in clear on February 5th. (Enclosure no. 1).¹⁰ To my amazement, he had not received it and knew nothing about it. I gave him the substance of the telegram from memory. . . .

General Conditions in Ethiopia

I managed to see a number of the officials I had interviewed during my trip last September, but was disappointed in the almost complete lack of anything new to report to the Department. Plans were progressing slowly, the attitude between the British and the Ethiopians had not altered, either for better or for worse, the British advisers said that the Ethiopians were as slow as ever to put into effect their suggestions, but had none better to suggest themselves, and, in general, the situation as outlined in my despatch no. 37 of October 8, 1942,¹¹ still obtains. A few more small stores have been opened, but trade with the outer world is still almost non-existent.

Interviews with the Emperor

On this trip I first saw the Emperor at a formal reception given at the Palace on the afternoon of February 9th, when he received General Maxwell and his staff, Colonel Clark, Commanding Officer of the Eritrea Service Command, and myself. That evening the Emperor gave a state dinner for General Maxwell and his staff. At this dinner there were a number of Ethiopian ladies, including the Empress, several Ethiopian ministers (War, Finance, Foreign Minister, Interior) but no British. On February 11th, General Maxwell gave a dinner to the Emperor at "The Residence of General Maxwell" as stated on the menu. The residence was the ex-Japanese Legation, where the General and his staff were housed by the Emperor. At this dinner the guests were about the same as at the Emperor's dinner two evenings before, except that we had no Ethiopian ladies present. On

¹⁰ *Ante*, p. 83.

¹¹ Not printed.

the afternoon of the 11th the Emperor asked for an interview with General Maxwell, Colonel Clark and myself. No one else was present except the interpreter, Mr. Tafari Worg. On Friday, February 12th, the Emperor had a very lavish picnic, lasting from about noon until 5:00 p. m. On all of these occasions I had occasion to talk to the Emperor, sometimes in English, which he speaks haltingly, or through his very excellent interpreter, Mr. Worg.

Interview of February 11th

This interview was by far the most important event of my trip. The object of the meeting was the Emperor's desire to place his views before the guest of the occasion, General Maxwell. The Emperor had prepared his notes very carefully, read from them in Amharic and Mr. Worg, the interpreter, translated the Emperor's remarks to us, (General Maxwell, Colonel Clark and myself). I took fairly full notes of the interview, as I did not know that I would have an opportunity to have an *aide-mémoire* of the interview, prepared by the interpreter. However, the *aide-mémoire* differed so from the notes that I took that I am enclosing, for the Department's information, copies of both. The *aide-mémoire* is attached as enclosure no. 2 and the notes that I, myself, took are attached as enclosure no. 3.¹² General Maxwell was extremely careful not to permit the Emperor to expect too much from the United States, pointing out the difficulties of shipping and communications. I did not receive a copy of the list of the Emperor's wants, but I understand from General Maxwell that, compared to some lists he has seen, it is quite reasonable! As General Maxwell planned to leave for the United States immediately, the list will probably be in the hands of the Lease-Lend authorities before the Department receives this despatch.

The American Legation

The Foreign Minister and the Emperor were both delighted with the information in the Department's telegram no. 21 of February 3 [*January 26*], 5 p. m., and naturally look forward to the reopening of the American Legation in the near future. Although not requested to do so, I took it upon myself to see what possibilities there were for legation quarters, as the quarters formerly used as our legation are, in my opinion, quite out of the question. They are very much run down, in a sad state of disrepair, and the Italians have built up a native quarter about it, so that its location, if nothing else, makes it quite out of the question.

As mentioned above, General Maxwell and his staff were housed by the Emperor in the ex-Japanese Legation. I was impressed by this building, which, I understand, is owned by the Empress. It is already completely and tastefully furnished, has a large reception room, a

¹² Printed as enclosures 1 and 2, respectively.

large dining room, a breakfast room, seven or eight bed rooms and two baths. It is situated about a quarter of a mile from the Palace, has about six acres (my guess) about the house, gardens attractively laid out, ample garage space, servants' quarters, etc. It would make a very attractive residence, and would be considered quite suitable in Europe. In Addis Ababa it stands out as something unique! The Belgian Government requested it for their Legation, but it was refused them. (See above.) I believe that this place could be secured for use as the American Legation, and am given to understand that the Empress is reserving it with that possibility in mind. At present it is used now and then by the Royal family for week-ends.

As for supplies, Mr. Howe, the British Minister, states that, except for staple foodstuffs, everything must be imported. He had just had four tons of supplies brought to him by road from Nairobi!

What is the United States to do for Ethiopia?

In all likelihood, the American Legation at Addis Ababa will be reopened. One of the reasons for this action is to have a representative of the Government at Addis Ababa with whom the Ethiopian Government can negotiate for help under the Lend-Lease program.

But it seems to me that not only the United States, but the United Nations might use Ethiopia as an experimental field for countries that have been the subject of aggression and then been liberated. . . .

It appears to me that we should use Ethiopia as an example of what the United Nations are to do for nations that have been overrun by the Axis juggernaut. The amount of help required is really not great. But why not give them help, and then publicize it to the world, pointing out that, just as Ethiopia was materially helped, experts sent to her country to advise and assist her, material assistance given her to start again the industries and agriculture disorganized by the Italian occupation, so would Poland, Belgium, France, Norway, the Netherlands and others be helped, but, of course, on a larger scale, for they would need help on a large scale. Should not this be the work of ex-Governor Lehman's Foreign Relief and Rehabilitation Operations as well as the work of Lend-Lease authorities?

It seems to me that the United States and the United Nations are missing a fine opportunity here to encourage the peoples now living under the heel of the Axis powers. If we could point to Ethiopia and say, "See, this is what we did for Ethiopia. Help us throw out the Axis powers and much more will be done for you," it would be a great help to raise the morale of the peoples now under the Axis powers.

Also, why not use Ethiopia as an experimental station for the Foreign Relief and Rehabilitation Operations? Send out a committee to study at first hand what the country needs to put it on its feet. Send out agronomists, timber experts, agricultural experts in general, for Ethiopia is not sufficiently advanced to be an industrial country. So let this organization try out different forms of organization on

Ethiopia, so that, when the time comes, it will know what the best form of organization will be for it to use in the conquered countries of Europe when they are freed. Then time will be most valuable, and if we have a chance to experiment on a small scale in Ethiopia, it seems common sense to do so.

Very respectfully yours,

E. TALBOT SMITH

[Enclosure 1]

AIDE-MÉMOIRE OF REMARKS BY HIS MAJESTY, HAILE SELASSIE, ON FEBRUARY 11, 1943 TO GENERAL MAXWELL, COLONEL EDWIN N. CLARK AND E. TALBOT SMITH

This *aide-mémoire* was given General Maxwell.

Ethiopia, which has got a respite from being used as a battlefield, is encountering great difficulties in her internal administration and could be regarded as suffering much more than countries which are taking part in the actual fighting. It is obvious that Ethiopia, where the war is believed to have ended, will have to suffer still further owing to the fact that she has no one at her side to assist her in the peaceful administration of her Empire since it will take a considerable time for the nations who are at war now to divert their activities towards peaceful administration.

Ethiopia was suffering from the afflictions of war for more than five years. The Fascist invader has upset the peaceful administration of the country, and has destroyed the foundation upon which the future administration of Ethiopia was to be built up.

His Imperial Majesty, on his return to his capital with the help and assistance given him by the British Government, found himself faced with a fresh start in everything.

Although His Imperial Majesty is confident that the friendly governments who have contributed so much in the restoration of the independence of his country are anxious to assist him in the task which lies before him, it has not so far been possible to obtain their aid in the problems of economy, trade, internal security, etc., as those nations are engaged in the prosecution of the war.

The following is a summary of the events in Ethiopia since His Imperial Majesty's return to his capital which are self-explanatory:

1. On the return of His Imperial Majesty to his capital the British Military Authorities who came into the country as his Allies regarded Ethiopia as occupied enemy territory and they adopted the name "Occupied Enemy Territory Administration." His Imperial Majesty protested against this attitude which was creating ill feeling and sometimes friction between Ethiopians and British Military Authorities. His Imperial Majesty did not fail to make every possible effort with a view to removing such ill feeling, and creating the spirit of

cooperation and collaboration. Unfortunately the mutual understanding which His Imperial Majesty expected to exist between the Ethiopian and British Authorities was lacking. His Imperial Majesty, who saw no alternative but to come to an agreement with a view to solving the problem and putting a limit to this state of affairs, occupied himself in trying to find means and ways whereby this problem could be solved. Thus, negotiations for the Anglo-Ethiopian Agreement were commenced.

2. What happened in Ethiopia during the period when Ethiopia was regarded as Occupied Enemy Territory? The British Military Authorities in Ethiopia removed, under the pretext that they were required for the war effort, almost everything they could conceive which the Italians had brought into this country, and all the riches which the Italians had stripped of the people of Ethiopia. His Imperial Majesty who was, and still is, anxious to contribute to the war effort to the limit of Ethiopia's capacity, even offered to provide troops from his army for service in the Middle East or elsewhere. His Imperial Majesty has been continually requesting that his offer be accepted, but without success. His Imperial Majesty requested the British Military Authorities to furnish him with a list showing the quantity and description of all arms, materials and other articles taken over from the Italians with a view to enabling him to retain what was essential for the maintenance of internal security, and allowing the rest to be used in the war effort, but without success. Ethiopia is, therefore, left without any means of defense. The ten thousand troops who are being trained by the British Military Mission are without proper arms and equipment, although the British Military Authorities promised to provide them with arms and equipment from the stock captured from the enemy in Ethiopia.

3. Ethiopia has no means of communication whatsoever with the outside world. The wireless station which was erected by His Imperial Majesty prior to the Italo-Ethiopia war is completely smashed, and the only one which remains is the 7-kilowatt high power transmitter which is lacking a number of valves. A list of the missing parts was given to Mr. Talbot Smith in September last. His Imperial Majesty's Government was informed that those missing parts were not available in the United States of America, and endeavors were made to obtain them from England, through the British Minister here, but without success.

4. Owing to the difficulty in finding the necessary funds for the repair of the existing roads in Ethiopia, which the Italians built at enormous cost and labor, His Imperial Majesty has not been able to authorize the repair and maintenance of these roads. The question of roads referred to above and the question of communication referred to in paragraph 3 are vital to internal security. Needless to say that

without the existence of these two important items it will be very difficult to maintain the internal security of the vast Ethiopian Empire. His Imperial Majesty has been unable to get any assistance in connection with the repair of roads or communication.

5. As the British Military Authorities have, under the pretext of the war effort, removed from this country tens of thousands of Italian-owned lorries, it would be impossible to find the necessary vehicles to run on the roads even if the roads were made serviceable. In the event of His Imperial Majesty's wishing to move a few troops from one province to the other for security purposes, it has been found impossible to move the troops on the spot in time, and sometimes the idea had to be abandoned for want of transport.

6. Up to this day, His Imperial Majesty has not been able to obtain an airplane to carry mail from and to Ethiopia. If a few planes were available, they could contribute to a considerable extent towards the maintenance of internal security.

7. Ethiopia has not carried on any trade with the outside world owing to conditions of war. She imports certain commodities, but not adequate to the needs of the country.

8. There are a very limited number of Italian doctors retained in Ethiopia for health services. Their number does not exceed more than thirty which is inadequate to the needs of the country. It is a different (*sic*) problem to rely on the services of these doctors.

9. Owing to lack of funds and transport it has not been possible for Ethiopia to develop her agriculture, external trade, etc., and the matter is causing great anxiety to His Imperial Majesty.

10. His Imperial Majesty has not been able to obtain any assistance in the way of arms and equipment for his army. Almost every arm and equipment which the Italians brought to Ethiopia were collected by the British Military Authorities under the pretext that they would be used for the war effort and removed them from the country. Some of these were thrown into the sea and some destroyed by fire.

Shortly before they were driven out of the country, the Italians distributed a considerable number of arms to different people in Ethiopia. It is a well-known fact that a rifle is a highly treasured possession to an Ethiopian. In order to be able to collect the rifles which are in the possession of the people it is necessary for His Imperial Majesty's army to be adequately armed and equipped. The Somalis who raided certain districts in the Harar province last year were encouraged to do so by the fact that they possessed arms. Somalis living across the frontier can easily enter into Ethiopia.

11. Ethiopia possesses a natural wealth which is sufficient for her needs. But in order to utilize this natural wealth she requires technicians and money. His Imperial Majesty has not been able to get either of these.

Ethiopia is prepared to contribute to the limit of her capacity any material assistance for the war effort in which the people of Great Britain and the United States of America are engaged. In order to be able to contribute more effectively, His Imperial Majesty would be grateful for any assistance which the Government of the United States of America could afford him in this respect.

His Imperial Majesty is very anxious to develop the mineral wealth of Ethiopia so that it may be utilized in this difficult time.

ADDIS ABABA, February 10 [11], 1943.

[Enclosure 2]

REPORT OF STATEMENT MADE BY HIS IMPERIAL MAJESTY, HAILE SELASSIE, ON THE AFTERNOON OF FEBRUARY 11, 1943, TO GENERAL MAXWELL, COLONEL EDWIN N. CLARK AND E. TALBOT SMITH

(NOTE: The Emperor remarked, towards the end of his talk, that he would be glad to furnish an *aide-mémoire* to General Maxwell if he so desired. General Maxwell expressed his wish to have such a note-mémoire, but these remarks indicate a considerable divergence from the material in the *aide-mémoire*).

His Majesty stated that he believed that there should be more effective relations between the people of Ethiopia and the people of the U. S. A. He pointed out that the struggle for freedom of both peoples was very similar. The future relations will be strengthened and this strengthening must take place in the near future. His Majesty stated that he did not wish to go into detail, pointed out that Ethiopia had passed through her trials and that he had assumed the burden and responsibility for 50 [15?] million Ethiopians. This was first time he had had the honor of receiving a great general from the U. S. A. Does not wish to discuss politics, but wishes to speak frankly. The people of U. S. A. were very sympathetic throughout Ethiopian trials. Such relations still exist. Ethiopia was the first victim of aggression and U. S. and Great Britain made great efforts to liberate the country.

His Majesty stated he was glad to understand that the U. S. A. is to open a Legation and send a diplomatic representative to whom the Emperor can present his views. He looks forward to the day when the Legation will be opened and will make every effort to see that relations are most cordial. His Majesty expressed his readiness to discuss any question regarding the reopening of the Legation.

The efforts of the U. S., said the Emperor, and of the American people to help backward peoples will achieve its purpose and lead to satisfactory results. His Majesty pointed out that excellent Ethiopian-American relations are not only desired now, but existed before the aggression. Ethiopia is not new to the U. S. After the occu-

pation, the American Government and people refused to recognize the conquest, because a country so occupied could not be recognized. The U. S. founded the Kellogg Pact¹³ to guarantee peace and non-aggression. When Mr. Sumner Welles came to England, His Majesty was there. His message was that America would hold out its hand to help nations subject to aggression. His Majesty then wrote Mr. Welles a letter,¹⁴ pointing out the position of Ethiopia. His letter, His Majesty is sure, was not ignored. America has not changed her attitude towards liberty from Washington to Franklin Roosevelt. She maintains the same principles and is now sacrificing her children in this war for them. The statement made by Theodore Roosevelt that Ethiopia is an Empire and must remain so is not forgotten by the present President Roosevelt. Ethiopia is now an ally of the United Nations. The Emperor and his people hope the overthrow of Nazism and Fascism by the U. S. and Great Britain will not be long. Ethiopia, on her part, is prepared to contribute as much as her capacity will allow. Ethiopia is ever grateful to the U. S. and to Great Britain and would like to do something in return. But she must have assistance to enable her to do her part. Ethiopia is one of the countries which has suffered from the war and lost much of her resources and equipment.

In conclusion, His Majesty stated that he would like to see President Roosevelt and put his views before him. Nothing would please him more. In the meantime, he would like to send a representative to the U. S. After diplomatic relations are opened, there will be mutual understanding and his difficulties will be alleviated to a great extent. Having full confidence in the Government of the U. S., His Majesty therefore lays his difficulties before you. He would like help in equipping his army, one way or another, possibly through Lease-Lend. His Majesty is ready to give you a list of what he wants. He has not been able to get what he needs for internal security. His Majesty wants to help the war effort, but must get help first. He is aware of the difficulties of the U. S. A. and Great Britain and is not asking for large amounts, but wants assistance so that he can maintain internal security. The list will be given if the General wishes.

If the General desires, His Majesty will have an *aide-mémoire* prepared for him.

The Emperor also asked General Maxwell if he would request President Roosevelt to assign a physician to serve as family physician to the Emperor.

General Maxwell replied, stating that he felt it his duty to say a word of caution against expecting too prompt action because of the

¹³Treaty between the United States and Other Powers, signed at Paris, August 27, 1928, *Foreign Relations*, 1928, vol. I, p. 153.

¹⁴Not found in Department files.

difficulties of communications and shipping. He said he would be glad to receive the *aide-mémoire*, the list mentioned by the Emperor, and a letter His Majesty asked him to deliver personally to the President.

884.24/110

Memorandum of Conversation, by the Chief of the Division of Exports and Requirements (Ravndal)

[WASHINGTON,] March 17, 1943.

Major General Maxwell stated in response to inquiry that it would be very advantageous to the United States from the political standpoint to give the Emperor of Ethiopia some of the things he has asked for. The General was of the opinion that the advantages which would accrue to the United States would far out-weigh the cost to us. However, he felt that we should at least consult with the British before providing any equipment to Ethiopia and, if possible, reach an agreement with them regarding the list of goods involved.

The General regarded furnishing a medical officer, say, a Colonel with military background, who would serve as the Emperor's household physician and perhaps head up a medical mission as probably the most important single contribution which we could make, and he suggested that we consult General McAfee in the Surgeon General's Office, with whom General Maxwell has excellent relations. He thought it important that the medical officer have a military background so that he would be in a position to serve as adviser to the Emperor, in as much as the latter is not getting much from the British military mission.

He regarded the second most important contribution giving Ethiopia a hook-up with our radio station Asmara.

He added that if we intend to use Ethiopian agricultural production it would be useful to furnish an agricultural adviser.

It was the General's observation that it would be useful for background purposes to read the treaty which was made about a year ago between the British and the Emperor of Ethiopia.¹⁵

884.24/97 : Telegram

The Consul at Asmara (Smith) to the Secretary of State

ASMARA, March 31, 1943—3 p. m.

[Received March 31—12:41 p. m.]

40. It is requested that lend-lease authorities authorize local American Army quartermaster to transfer surplus army clothing for 1943

¹⁵ Signed at Addis Ababa, January 31, 1942, *British and Foreign State Papers*, vol. CXLIV, p. 997.

supplies to the Government of Ethiopia. Also quartermaster to transport this and other Ethiopian Government supplies Asmara to Addis Ababa. List prepared by quartermaster. Ethiopian Minister for Foreign Affairs now here.

SMITH

884.24/97: Telegram

The Secretary of State to the Consul at Asmara (Smith)

WASHINGTON, April 19, 1943—10 p. m.

55. Your no. 40, March 31. The War Department states that the Commanding General of United States Forces in the Middle East recommended under date of April 10 that no action be taken involving lend-lease to Ethiopia pending receipt of a full report which is to be forwarded to the War Department. As soon as this report is received, the War Department will give further consideration to the question of surplus clothing requested for Ethiopia.

HULL

884.24/107

Memorandum of Conversation, by Mr. Vernon L. Phelps of the Division of Commercial Policy and Agreements

[WASHINGTON,] May 15, 1943.

Participants: Mr. Caldwell,¹⁶ American Minister to Ethiopia
 Mr. Walker—OLLA¹⁷
 Mr. Phelps—TA
 Mr. Deressa, Vice Minister of Finance of Ethiopia
 Mr. Ababa, Ethiopia
 Mr. Tesamma, Ethiopia

The Minister brought Mr. Deressa and his colleagues in to discuss certain matters regarding lend-lease assistance to Ethiopia. Mr. Deressa presented a full power authorizing him to conclude with this Government any lend-lease agreement and to sign on behalf of the Ethiopian Government everything so agreed upon.

He was given a copy of the usual form of representations required by Sections 4 and 7 of the Act,¹⁸ and he agreed to prepare and submit these representations.

It was explained that the text of a master lend-lease agreement was in preparation and that it would probably be ready for his consideration upon his return to Washington from the Food Conference¹⁹

¹⁶ John K. Caldwell.

¹⁷ Office of Lend-Lease Administration.

¹⁸ Approved March 11, 1941; 55 Stat. 31.

¹⁹ United Nations Conference on Food and Agriculture at Hot Springs, Virginia, May 18-June 3; for correspondence, see vol. 1, pp. 820 ff.

which he and his colleagues are attending as representatives of the Ethiopian Government.

Mr. Deressa stated that he had a list of articles which his Government desired to obtain under lend-lease which he will submit later. Mr. Walker explained to Mr. Deressa that we would be glad to give sympathetic consideration to the list, subject of course to the overall supply and shipping situation. Mr. Deressa was given no encouragement that any large amount of lend-lease assistance might be forthcoming soon.

As background information, a copy of the *Seventh Report to Congress on Lend-Lease Operations* was given to Mr. Deressa.

884.24/110

Memorandum by the Liaison Officer With the War and Navy Departments (Wilson)

[WASHINGTON,] May 18, 1943.

Mr. Caldwell, the new Minister to Ethiopia, called this afternoon.

I showed him the minutes of the Liaison Meeting held on April 12 and the documents handed to General Maxwell last February during his journey through Ethiopia, and discussed with him in particular the action to be taken on the Emperor's request for military equipment and for a household physician.

Mr. Caldwell informed me that Yilma Deressa, the Ethiopian Vice Minister of Finance, is now in the United States attending the International Food Conference at Hot Springs, at which he is the chief delegate of Ethiopia. Deressa has brought with him credentials giving him wide powers, including that of negotiating a Lend-Lease agreement. Preliminary negotiations in this connection have been discussed by Mr. Deressa with Mr. Phelps of the Division of Trade Agreements of this Department and Mr. Walker of the Lend-Lease Administration. Mr. Caldwell believed that it would be advisable to postpone further action on the Ethiopian Emperor's request for military equipment until Deressa's return from Hot Springs, which should take place in about three weeks. He understands that Deressa has authority to discuss these matters.

Mr. Caldwell also stated that on his arrival in the United States Deressa had said that the Ethiopian Government desires to obtain the services of six road experts and a financial adviser. He also pointed out the urgent need of the Ethiopian Government for radio equipment, as it is now unable to communicate with the outside world except through the British Legation at Addis Ababa. In this connection Mr. Caldwell informed me that after the expulsion of the Italians from Ethiopia the British had extended their military occupation throughout the country. This prevented the Emperor from exercising any authority. He therefore entered into an agreement

with the British lasting for a period of two years which has restored to him a measure of this authority. However, under this agreement the British continue to exercise virtual control over the entire country, and have maintained the right to approve any advisers whom the Emperor may select. Their control over the only radio station in Ethiopia deprives the Emperor of the means to strengthen his Government.

With reference to the desire of the Emperor to obtain a household physician, Mr. Caldwell and I agreed that the War Department should be approached informally in order to ascertain whether that Department would be willing to supply an officer for this purpose.

ORME WILSON

550.AD1/801

Memorandum of Conversation, by the Secretary of State

[WASHINGTON,] June 7, 1943.

The Ethiopian delegates to the United Nations Food Conference, Messrs. Yilma Deressa and Brehanu Tesamma called to pay their respects. They expressed themselves as highly pleased with the proceedings and the results of the conference, saying that the entire period of the conference was very interesting and very enjoyable and that they believed it would prove thoroughly profitable.

They had a letter from the Emperor to the President ²⁰ and I said that our Protocol Division would send it to the President and, if possible, arrange for a conference.

They then said that their Government was looking forward to constant aid and cooperation on the part of this Government in every way that might be at all practical. They emphasized that they need help now in building up their country as a result of the Italian occupation and that they would need whatever additional assistance along this line as might be at all practicable, such as lease-lend aid.

They said that they had no seaport and that they were hoping that this Government would aid them in securing the right to such a port. I replied that we were conscious of the situation as they described it.

They stated that their Government at Addis Ababa desired to send a Minister to this Government at Washington. I said that was an interesting bit of information and that I would give it attention in due course.

I reminded them how this Government put on moral embargoes against Italy when she was invading Ethiopia ²¹ and kept out in front of the League of Nations in the work it was doing to checkmate and

²⁰ Dated April 30, 1943, not printed.

²¹ For correspondence on the Ethiopian-Italian conflict, see *Foreign Relations*, 1936, vol. III, pp. 34 ff.

impede Italy's movements. They appeared not to know of this action on our part and expressed their appreciation.

C[ORDELL] H[ULL]

884.24/109

Memorandum of Conversation, by the Liaison Officer (Wilson)

[WASHINGTON,] June 8, 1943.

Participants: Mr. Yilma Deressa, Assistant Minister of Finance of Ethiopia
 Mr. Araya Ababa
 Mr. Caldwell, United States Minister to Ethiopia
 Colonel Douglas V. Johnson
 Colonel E. F. Gillespie
 Major Schmidt
 Mr. Lewis—NE ²²
 Mr. Perkins—ER ²³
 Mr. Wilson—U-L

A meeting was held in U-L this afternoon in order to enable Mr. Deressa to discuss with the appropriate officials of the Army his Government's desire to obtain arms and munitions of war under Lend-Lease. Mr. Deressa has already had preliminary conversations with Lend-Lease officials and is authorized to conclude an agreement.

During the conversation Mr. Deressa stated that his Government desired to obtain arms and equipment sufficient for three divisions. It appears that this equipment would include trucks and light tanks. Each Ethiopian division consists of approximately 12,000 men. When asked what need the Ethiopian Government had for a military organization of this size Mr. Deressa answered that it would be necessary to maintain internal order over an area of 350,000 square miles, and, if necessary, to lend assistance to the other United Nations if called upon to do so. When asked how the Ethiopian forces could be trained in the use of this armament he stated that a British Military Mission is already in Ethiopia and that, if necessary, an American mission could be engaged.

The equipment seized by the British from the Italians is not available to the Ethiopians, who are consequently nearly destitute of armament. Colonel Johnson pointed out that three divisions constituted a considerable force and that there is no surplus equipment in the United States which could be supplied. Consequently it would be necessary to determine the assistance which Ethiopia could render to the common war effort before determining whether any material could be supplied. Mr. Deressa answered that the Emperor had already offered a

²² Charles W. Lewis, of the Division of Near Eastern Affairs.

²³ Samuel E. Perkins, of the Division of Exports and Requirements.

division to the United Nations and that in addition to maintaining internal order an armed force would be helpful in repelling a possible Japanese attack. In addition, it was indicated that Ethiopia is the source of certain useful raw materials, the procurement of which would be facilitated by the maintenance of internal order.

As Mr. Deressa stated that he had a detailed list showing the amount and character of the armaments desired, it was decided that he would furnish this list to the Department for submission to the Lend-Lease office, which would then transmit it to the International Division of the War Department. The latter will keep in touch with Colonel Johnson of the Operations Division and at the proper time will bring it to the attention of the Munitions Assignments Committee. Mr. Deressa was informed that it would be necessary to conclude a Lend-Lease agreement before any material could be furnished to his Government under Lend-Lease.

Mr. Deressa stated that it would be unnecessary to give further consideration to the list furnished General Maxwell in February, as these articles would be comprised in the larger list which he will soon submit.

ORME WILSON

884.24/112

The Under Secretary of State (Welles) to President Roosevelt

WASHINGTON, June 18, 1943.

MY DEAR MR. PRESIDENT: Attached hereto for your signature, if you approve, is a proposed reply to three communications which have been received from the Emperor of Ethiopia.

The only point calling for particular attention in our suggested reply is the statement that this Government would welcome a diplomatic representative of Ethiopia, the Emperor having indicated in one of his letters that he is anxious to make such an appointment. As our Minister Resident, Mr. John K. Caldwell, is shortly to proceed to Addis Ababa to open a legation there it is presumed that we would be willing to have an Ethiopian diplomatic representative in Washington.

Faithfully yours,

SUMNER WELLES

[Enclosure]

*President Roosevelt to the Emperor of Ethiopia (Haile Selassie)*²⁴

YOUR MAJESTY: I have received from Mr. Yilma Deressa your kind letter of April 30, 1943,²⁵ and also the photograph of yourself in the beautiful frame, which were handed to me by Mr. Deressa at the

²⁴ Marginal notation: "Signed June 22, 1943".

²⁵ Not printed.

reception which I gave on June 7 for the delegates to the United Nations Conference on Food and Agriculture. I wish to thank Your Majesty most warmly for the friendly expressions contained in your letter and to convey to you my deep appreciation of the sentiments which prompted you to send me the photograph.

I have also received Your Majesty's two letters of February 12, 1943, which were handed to General Maxwell at the time of his visit to Addis Ababa. General Maxwell was delighted to have the honor of meeting Your Majesty, and he was pleased to be entrusted with the conveyance of your greetings to me.

As you have doubtless been informed, Mr. Deressa, in accordance with your wishes, has signed the necessary representations with regard to lend-lease aid to Ethiopia. Conscious of the great sacrifices which your valiant country was called upon to make in resisting an unscrupulous foe and of the pressing need for restoring the economy of Ethiopia in order that Your Majesty's people may enjoy once more the fruits of their labor, my Government will be glad, through the medium of lend-lease aid, to supply such articles, services, and information as it may be in a position to furnish for the defense of Ethiopia, and, through such other means as may be possible, to render all practicable assistance in the rehabilitation of your country. My Minister Resident and Consul General, Mr. John K. Caldwell, will presently arrive in Addis Ababa to resume diplomatic relations with your Government, and he will be glad to be informed by you of the ways which you feel the United States may best render effective help.

Your Majesty has indicated that you are anxious to appoint a diplomatic representative to my country. I assure you that I would be most happy to welcome such a representative.

I send Your Majesty my best wishes for your personal welfare and the happiness of the people of Ethiopia.

Your good friend,

[FRANKLIN D. ROOSEVELT]

884.516/15

*Memorandum of Conversation, by Mr. Charles W. Lewis of the
Division of Near Eastern Affairs*

[WASHINGTON,] June 22, 1943.

Mr. Blowers,²⁶ who, as you know, has been manager of the Bank of Monrovia, informed me that he has resigned from this position and has accepted the position of Governor of the State Bank of Ethiopia, which was offered to him by Mr. Yilma Deressa. A contract, Mr. Blowers stated, has not as yet been signed but his acceptance of the position is nevertheless definite. He expects to leave for Addis Ababa

²⁶ George Blowers.

as soon as transportation can be obtained for himself and his wife, either by sea or by air.

Mr. Blowers said that Mr. Larrabee²⁷ had expressed disappointment at his decision to resign from his post as manager of the Bank of Monrovia and had endeavored to dissuade him from doing so. Mr. Blowers, however, felt that the opportunities for him in Liberia were limited, and he desired to accept the apparently larger opportunity now offered him in Ethiopia.

I asked Mr. Blowers if he contemplated any difficulties with the British in taking up the position as Governor of the Bank. He said that Mr. Deressa had given him positive assurances that there would be no opposition to the appointment on the part of the British, especially as the British-Ethiopian treaty gives the British no right to interfere in this matter, the prerogative of appointing the Governor of the Bank resting solely with the Ethiopian Minister of Finance.

I suggested to Mr. Blowers that he might wish to see Mr. Caldwell before proceeding to Ethiopia. He readily agreed to this suggestion, and will call on Mr. Caldwell at the first opportunity.

884.51/66

The Ethiopian Vice Minister of Finance (Yilma Deressa) to the Secretary of State

WASHINGTON, July 12, 1943.

DEAR MR. SECRETARY: In pursuance of my memorandum of the 25th of June,²⁸ I have the honor to bring to the notice of the Secretary of State the desire of my Government to secure a loan. I have been instructed to request a loan which my Government intends to use for the rehabilitation of the country. The revenue of the country which is raised by taxation is hardly sufficient to meet the current expenditures of the Government and cannot be made to cover capital expenditures which are essential to put the country back on its feet. Among the outstanding items for which the loan is requested are:—Rehabilitation of agriculture, repair and maintenance of roads, bridges and other means of communication, to finance existing industries and to secure the service of American experts to operate these industries, to develop mines and in general to improve the economic condition of the country.

The importance and need for agricultural development in Ethiopia cannot be too stressed from the point of view of increasing production which will go a long way to aid the Allied cause in the campaign of producing for the war effort.

²⁷ B. H. Larrabee, vice president, Firestone Plantations Company.

²⁸ Missing from Department files.

There is in Ethiopia today a large floating peasant population which has been made homeless by the Italo-Ethiopian war and also by the subsequent campaign. There is also a vast area of fertile land which for lack of capital and labor now is idle and unproductive. My Government, after a careful study, has drawn up a plan by which to settle the floating population on this land. As most of these unfortunate men are quite poor and have no means of starting farms, the entire expense of re-settling them must, at least for the first year, be met entirely by the Government. The expense, when calculated, proved to be beyond the means of the meagre budget of the country.

Secondly, the farmers in Ethiopia today are neither producing in sufficient quantity nor are they working for the right kind of production. Transportation conditions, uncertainty of finding a market, and lack of manufactured commodities to be exchanged for their products has played a large part during the last two years in curtailing production and therefore decreasing the potentiality of the peasant population. People in the far out provinces have been forced to produce for the subsistence of their families alone. It is, therefore, evident that production can only be increased by the latter group if a guarantee is given to the farmers by the Government to purchase the crops at a reasonable price. They must also be induced to raise certain types of agricultural products for export. The scheme requires a substantial sum to be held by the Government to effect the re-purchase.

There is certainly considerable room for the improvement of agricultural technique and farming methods in Ethiopia, and my Government has every intention to introduce scientific methods in so far as its financial condition permits. But even with the existing methods of production, it will be possible to increase production ten fold if credit can be provided. In addition, crops such as cotton, tobacco, oilseeds, fruit and similar products could be encouraged on a vast scale if only my Government could offer the necessary financial inducement to the farmers.

In Ethiopia, as elsewhere, the success of the economic system of the country is conditioned by facility of transportation. Communication in Ethiopia, as it stands today is deplorable. To repair roads and bridges, overhaul the system of transportation and communication, finance is required, and the amount available from the national budget has proved hopelessly inadequate.

The currency situation in Ethiopia is not less preoccupying. Lack of subsidiary money and fluctuation of the exchange rate between the Maria Theresa dollar and the British East African pound has created currency problems.

Mining and industry like-wise lack credit. A rehabilitated Ethiopia will undoubtedly be in a position to meet its obligations within a reasonable period. Any loan granted will be of a self-

liquidating nature as the whole sum received will be used for capital expenditure.

I enclose a statement of the amount of the loan and credit requested by my Government and also the manner in which we hope it may be supplied.

I hope, Sir, that you will be good enough to examine favorably the request of my Government.

I avail myself [etc.]

Y. DERESSA

[Enclosure]

*Statement on Amount of Loan and Credit Requested by the Ethiopian Government*²⁹

Credit to be made available in the United States in cash balance and to purchase consumers goods	\$40,000,000
Silver Loan under Lend Lease	\$10,000,000
	\$50,000,000
Total	\$50,000,000

The credit may be supplied over a period, the terms and conditions of which to be specified.

884.00/7-1443

*The Ethiopian Vice Minister of Finance (Yilma Deressa) to President Roosevelt*³⁰

AIDE-MÉMOIRE

Ethiopia, as you know, was one of the first victims of the wave of aggression which started thirteen years ago in China and which has now swept with a fury, engulfing the entire world and bringing sorrow and desolation to a great majority of the world's population and destruction and waste to their lands. Ethiopia, singularly, has been the first among the nations overrun by the aggressor to be returned to her own people.

When the time came to free our country from the yoke of the enemy, the Emperor and the nation gave full cooperation to our British allies. Ethiopian refugees, formerly dispersed to nations all over the world, returned to their homeland and joined the Emperor's army of liberation. The patriotic armies, spurred onward by a fierce determination and a deep and abiding love for their coun-

²⁹ Printed from corrected copy received from Mr. Yilma Deressa July 21, 1943 (filed separately under 884.51/67).

³⁰ This *aide-mémoire* was handed to President Roosevelt by Mr. Yilma Deressa during the course of an interview on July 13. President Roosevelt referred it to the Secretary of State on July 14 with the following comment: "I think this is extremely interesting. Will you talk to me about it? F. D. R."

try, made a concentrated attack on the rear of the enemy. Civilians joined with the liberating armies in the most effective manner—that of guerilla warfare—just as the civilian populations of dominated Europe are doing today. Every Ethiopian was anxious to do whatever he could to hasten the day of complete liberation. Every Ethiopian believed that our country, freed from the yoke of Axis domination, would serve as a beacon of encouragement to other countries temporarily overrun. The brave Chinese, the Czechs, the Poles, the Norwegians, the Dutch, the peoples of the East Indies could all take heart upon seeing Ethiopia freed and her people aided in the restoration of their land. As a matter of fact, all the peoples composing the United Nations would be reassured by this example of the Atlantic Charter³¹ “in action”.

But when victory was won, and our country was free from the enemy, our ally told the Emperor that Ethiopia was an Occupied Enemy Territory and would be administered as such until a special treaty was signed between His Britannic Majesty's Government and the Emperor. The draft of the treaty was not presented to His Imperial Majesty for months, and in the meanwhile, every possible pressure was exercised to make the Emperor and the people of Ethiopia wish for the signature of a treaty in order to end the Occupied Enemy Territory Administration. During this time, industrial and mechanical equipment, means of transportation, telephone and electric lines, much needed and vital to the program of rehabilitation, were either removed from Ethiopia or wrecked.

The first draft of the agreement proposed amounted to the imposition of the status of a protectorate on Ethiopia. It was rejected by the Emperor. The actual agreement which is in force until January 1944 is regarded in Ethiopia as an agreement which imposes upon her Government conditions which are incompatible with either liberty or the exercise of her sovereign rights as a free nation. Its spirit is not in accordance with that of the Atlantic Charter. It was imposed upon her by pressure and is, therefore, regarded as having been signed under duress.

This agreement is due for revision next January. His Imperial Majesty has requested Your Excellency to use your good offices in affording him a competent American jurist to help him in this task and is appealing to the Government of the United States to give him diplomatic cooperation in the matter so that a settlement, consistent with the spirit of the Atlantic Charter might be reached.

Outlet to the Sea

It is recognized that in the world of tomorrow, the world which all freedom-loving peoples are striving to build, there must be a free

³¹ Joint declaration by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations*, 1941, vol. 1, p. 367.

interchange of the world's resources. A nation to grow, must be able to export freely her native commodities and to secure in exchange needed supplies and equipment from other countries. Ethiopia, with an area of 350 thousand square miles, a population of 14 million inhabitants and with vast natural resources, has been in the recent past without territory bordering on the sea. The development of our country has been hindered by this fact. Not having had a seaport resulted, unfortunately, in the inability of Ethiopia to import necessary arms and ammunition to defend herself before and during the time of the Italian invasion; this, in addition to the fact that as far back as 1884, certain nations through treaty,³² agreed between themselves not to allow such materials destined for Ethiopia to pass through territories dominated by themselves.

The people in what is now called Eritrea are ethnically and culturally akin to the Ethiopian people, and in times past, that territory was a province of Ethiopia called Hamassen. In 1940, during the attack on Eritrea from the Sudanese border, our British allies, by pamphlets dropped from airplanes, promised the people of Hamassen (the Eritreans) union with Ethiopia as a reward for deserting from their Italian conquerors.

His Imperial Majesty hopes that Your Excellency will use your good offices to help us effect this union and to secure a seaport for our country.

His Imperial Majesty has instructed me to convey to Your Excellency Ethiopia's gratitude for the generous unilateral gesture on the part of Your Excellency to declare his country eligible to the benefit of Lend-Lease Aid. Ethiopia is a country which has been devastated by seven years of war, and, therefore, needs financial and material assistance to be rehabilitated. Financial difficulty is acute, and the primary equipment to run a government is lacking. His Imperial Majesty hopes that Your Excellency will recommend his country's case to the Administration to secure a loan and to acquire the materials which are urgently needed.

His Imperial Majesty will be glad to have American citizens to advise him in financial, military, judicial, and other technical affairs. His Imperial Majesty will welcome the cooperation of American capital and technical skill to help him develop the natural resources of his country. It is further the feeling of His Imperial Majesty that Ethiopia can be of aid in supplying foodstuffs to needy European and

³² Reference is probably to the Anglo-French exchange of notes of February, 1888, which established the protectorates known subsequently as French Somaliland and British Somaliland. Articles 5 and 6 stated "It is expressly agreed that the caravan road from Zeyla to Harrar . . . shall remain open. . . . The two governments engage to take all necessary measures to prevent the Slave Trade and the importation of gunpowder and arms in the territories subject to their authority." See agreement between the Governments of Great Britain and France with regard to the Somali Coast, February 2 and 9, 1888, *British and Foreign State Papers*, vol. LXXXIII, pp. 674 and 675.

Eastern nations during the post-war period of reconstruction. If help could now be given her in the form of technical aid and equipment, the temperate climate and fertile soil in the highlands of our country would lend themselves favorably to the production of important crops and cattle for food. Ethiopia would have the advantage of being much nearer to the needy territories than America, thereby effecting a saving in transportation and time. The people of Ethiopia are anxious to join with the people of the United States in their magnificent effort to rebuild a war-torn world.

Ethiopia is not unmindful of the asylum offered by the people of England to their Emperor during his stay there; the Ethiopian people are simply striving toward self-determination, the right of every free people, and look to America, the arsenal of democracy, for aid in the complete realization of this desire.

At a date convenient to Your Excellency, His Imperial Majesty will be pleased to pay a visit to Your Excellency to discuss matters affecting the future of his country.

YILMA DERESSA

[WASHINGTON,] July 12, 1943.

884.014/7-2043

The Secretary of State to President Roosevelt

WASHINGTON, August 2, 1943.

MY DEAR MR. PRESIDENT: With reference to the attached *Aide-Mémoire*³³ which Mr. Yilma Deressa, the Ethiopian Vice Minister of Finance and delegate to the recent Food Conference, handed to you during the course of his interview with you on July 13, it is true, as stated by Mr. Deressa, that following the occupation of Addis Ababa by British forces in April 1941, Ethiopia was administered by the British as enemy occupied territory. While the Emperor was permitted to return to Addis Ababa in May of that year his field of action was closely restricted by the British during the prolonged period of negotiations leading up to the signing of the Anglo-Ethiopian Agreement and Military Convention on January 31, 1942,³⁴ and on the face of available evidence the British during this period administered the affairs of the country with a heavy hand.

However, in extenuation of the British action, it is well to point out that Ethiopia was at that time in a state of anarchy, with large bands of tribesmen roaming the country bent on robbery and destruction, while military operations against the Italians were not concluded until the following November. The authority of the Emperor was

³³ *Supra*.

³⁴ Signed at Addis Ababa, January 31, 1942, *British and Foreign State Papers*, vol. CXLIV, p. 989.

in doubt, or completely repudiated, over wide areas. Military security, as well as protection for the large numbers of Italian civilians and other white residents of the country, doubtless demanded, in the face of the prevailing troubled conditions, a firm hold on the situation.

Nevertheless, the Emperor and his immediate followers were impatient with the refusal of the British to turn over the policing and administration of the country to the Ethiopians. This impatience seems to have been brusquely brushed aside by the British authorities. Perhaps the Emperor was, as the British contended, overestimating his strength and his capacity to restore order and reestablish effective government, but less highhandedness and more tact on the part of the British would probably have avoided the strained relations which soon rose between the Ethiopians and the British, a condition which has become, it seems, more poisoned as time has passed. It appears, however, that this trend has been due more to the reportedly low quality of the officials which the British appointed to fill the posts provided for in the Anglo-Ethiopian Agreement than to any harsh policy of the British Government itself toward Ethiopia. The fact that the fiscal position of the country was in a state of collapse when the British took over and that under the terms of the Agreement the British have made substantial grants of money to enable the Emperor to reestablish his administration seems not to have made the Ethiopians any more tolerant of the presence of these British officials. In general, it does not appear that the terms of the Agreement were onerous, having regard to the special circumstances existing in Ethiopia. It is thus not so much in the actual terms of the Agreement as in the distorted and vexatious application by local officials of those terms which is so distasteful to the Ethiopians.

The Ethiopians are therefore determined, as the Emperor and the several cabinet officials made abundantly clear to our Consul at Asmara prior to the closing on June 1 of our office there, to rid the country as soon as possible of British personnel. This explains why the Emperor is so anxious to prepare for the replacement of the present Agreement, as provided for in Article XII, which reads, in part:

“The present Agreement shall enter in force as from this day’s date. (January 31, 1942.) It shall remain in force until replaced by a Treaty for which His Majesty the Emperor may wish to make proposals. If it is not so replaced within two years from this date, it may thereafter be terminated at any time by either Party giving three months’ notice to the other to this effect.”

As pointed out in the *Aide-Mémoire* by Mr. Deressa, the Emperor desires the assistance of an American jurist to assist him in drafting a new treaty, and in line with a previously expressed request by Mr. Deressa an effort is being made by the Department to find a suitable

candidate for the position of legal adviser to the Ethiopian Government. Consideration has already been given to two persons and a third is under consideration now. The appeal of the Emperor, as expressed by Mr. Deressa, for the "diplomatic cooperation" of this Government in connection with the drafting and negotiation of a new Anglo-Ethiopian treaty would seem to imply a desire on the part of Ethiopia that we use our good office with the British in gaining terms more satisfactory to the Ethiopians in any future treaty which might be signed. Possibly an expression of our interest in the matter to the British Ambassador at the appropriate time might be desirable.

As regards the desire of the Ethiopians to obtain a direct outlet to the sea, to which Mr. Deressa also refers in his *Aide-Mémoire*, this aspiration is understandable, since under existing conditions Ethiopia is entirely dependent upon the mercy of the British and the French for the conduct of the nation's foreign trade. This, of course, places serious obstacles in the way of Ethiopia's economic independence and prosperity. It is our opinion that a fairly strong case could be made in support of the Ethiopian contention that Eritrea, or a part of it, should be incorporated into Ethiopia. Such action would yield the Ethiopians an outlet to the sea, and thus meet their aspirations in this direction, while avoiding the complicated and contentious question of securing an outlet through Djibouti, although because of the railway from that port to Addis Ababa it seems probable that this route would continue to be used to a considerable degree.

With respect to the desire of the Ethiopian Government to obtain a loan from the United States, a matter to which Mr. Deressa alludes in the latter part of his *Aide-Mémoire*, Mr. Deressa addressed a communication to the Department on this subject on July 12, requesting financial assistance in the sum of \$50,000,000, ten million dollars of which would be used for currency stabilization purposes and forty million dollars for the development of Ethiopian resources and the purchase of essential goods. In principle, the Department is disposed to support the extension of financial aid to Ethiopia, in order to assist the country in restoring its economy and thereby contribute in a greater degree to the war effort, although it may be impracticable to make a loan in the amount requested. In any case, the matter, having received favorable tentative consideration in the Department, is now being taken up with the Treasury Department and the Export-Import Bank.

Faithfully yours,

CORDELL HULL

884.51/66

*The Secretary of State to the President of the Export-Import Bank
(Pierson)*³⁵

WASHINGTON, August 4, 1943.

MY DEAR MR. PIERSON: I enclose herewith copies of two recent communications from Mr. Yilma Deressa,³⁶ Vice Minister of Finance of Ethiopia, who is at present in Washington, relative to the desire of Ethiopia to obtain a loan from the United States.

This is one of several requests which have been addressed to the Department by Mr. Deressa on behalf of his Government, the others relating to lend-lease aid, American advisers, American missions on agriculture, mining and engineering, et cetera. In short, the Government of Ethiopia is now looking to the United States for material and financial assistance and for advice in its efforts to rehabilitate the country and to contribute to the war effort. Its needs have been brought to the attention of the Department in various communications from Mr. Deressa and in letters to the President from the Emperor. For political and other reasons the Department is anxious to accommodate the Ethiopian Government as far as may be practicable and, in principle, is disposed to give its support to the request of the Ethiopian Government for financial assistance, both as regards aid in the stabilization of its currency and the furnishing of funds for other purposes which will contribute to the restoration and development of the nation's economy.

As a first step in the consideration of this matter, in so far as it relates to possible financial assistance through the Export-Import Bank,³⁷ it is suggested that a conference might be called for the purpose of discussing with Mr. Deressa such details as may be necessary precedent to a further exploration of the subject. The Department, upon receiving an expression of your concurrence, will be glad to arrange such a conference at a place and time agreeable to you.

Sincerely yours,

For the Secretary of State:

A. A. BERLE, JR.
Assistant Secretary

³⁵ The same letter was sent on the same date to the Secretary of the Treasury (Morgenthau), with the exception noted in the last paragraph.

³⁶ Letter of July 12, p. 101, and letter of July 20, not printed.

³⁷ The words "in so far . . . Bank" were omitted from the letter to the Secretary of the Treasury.

884.51/8-543

*Memorandum of Conversation, by Mr. Charles W. Lewis of the
Division of Near Eastern Affairs*

[WASHINGTON,] August 5, 1943.

Participants: Mr. Warren Lee Pierson, Export-Import Bank
Mr. LeBaron, Export-Import Bank
Mr. Yilma Deressa, Vice Minister of Finance of
Ethiopia
Mr. Paul McGuire—EA ³⁸
Mr. Lewis—NE

Mr. Pierson referred to the Department's recent letter ³⁹ to the Export-Import Bank concerning the desire of Ethiopia to obtain financial assistance from this Government and said that although the Bank would be glad to render such assistance as might be found practicable its field of activity outside the Western Hemisphere was considerably circumscribed by the law and regulations under which it functions. He said that the Bank could, however, make loans in limited amounts to facilitate trade with Ethiopia and for the purchase of capital goods for industry, agriculture, transportation, et cetera, and could make funds available for certain other purposes which might be helpful to Ethiopia. On the other hand, it could not make a loan for expenditures within the country, that is, cash funds which could be drawn on by the Ethiopian Government. This form of assistance, he said, would have to be sought from some other agency of the Government, if any other agency of the Government makes loans of this character.

Mr. LeBaron then referred to conversations which he and Mr. Pierson had had with Mr. George Blowers, who has been appointed by Mr. Deressa as Governor of the State Bank of Ethiopia, and indicated that Mr. Blowers was now more or less familiar with the Export-Import Bank's activities and requirements. Mr. Pierson said he would be glad to see Mr. Blowers again if this should be considered necessary.

The suggestion was made that Mr. Deressa, in cooperation with Mr. Blowers, should, on his return to Ethiopia, prepare a more precise statement of the requirements of Ethiopia falling within the field of the Export-Import Bank's operations. This statement would then, Mr. Pierson indicated, receive the careful and sympathetic consideration of the Export-Import Bank. Mr. Deressa said he would be glad to prepare such a statement and would forward it to Washington as soon as possible.

³⁸ Office of the Adviser on International Economic Affairs.

³⁹ *Supra.*

884.51/71

The Secretary of the Treasury (Morgenthau) to the Assistant Secretary of State (Berle)

WASHINGTON, August 6, 1943.

MY DEAR MR. BERLE: This is in reply to your letter of August 4, 1943,⁴⁰ (NE 884.51/66) relative to the request of the Government of Ethiopia for financial assistance, and enclosing two memoranda submitted by Mr. Deressa, Vice Minister of Finance of Ethiopia.

At the request of the State Department the Treasury has previously discussed with Mr. Deressa the problem of currency stabilization. In view of the desire of the State Department to accommodate the Ethiopian Government as far as may be practicable, the Treasury will give sympathetic consideration to the requests of the Ethiopian Government for financial assistance in the stabilization of its currency and the development of its economy.

I am asking Mr. White to arrange for a meeting at the Treasury on these financial questions.

Sincerely yours,

H. MORGENTHAU, JR.

884.24/142a

The Secretary of State to the Ethiopian Vice Minister of Finance (Yilma Deressa)

WASHINGTON, August 12, 1943.

MY DEAR MR. MINISTER: I wish to tell you of the warm satisfaction we feel over the signing of the Mutual-Aid Agreement⁴¹ between your Government and the Government of the United States. This is a further happy manifestation of the friendship binding our two countries and of the desire of Ethiopia and the United States to work together in achieving victory over the common foe.

Copies of your communications relating to the needs of Ethiopia were forwarded to the War Department and the Office of Lend-Lease Administration under cover of favorable recommendations from this Department, and both the requests for military equipment and for civilian goods are receiving active consideration. It is the desire of this Government to render as much assistance to Ethiopia under the Lend-Lease Agreement as may be possible, and you may feel sure that everything practicable will be done in this direction within the limitations imposed by supply and shipping.

The Department has been glad to recommend to the Bureau of the Budget that sufficient funds be made available to cover the cost of send-

⁴⁰ See footnote 35, p. 109.

⁴¹ Signed at Washington, August 9, 1943, Department of State Executive Agreement Series No. 334, or 57 Stat. (pt. 2) 1043.

ing an agricultural mission, a mining mission, and an engineering mission to Ethiopia from this country, in line with the wish expressed by you on behalf of your Government. We are pleased that your Government has manifested this mark of confidence in the United States by requesting it to send these missions to Ethiopia to assist your Government in its efforts to rehabilitate the economy of Ethiopia and to contribute in a greater degree to the winning of the war. It is hoped that it will be possible for the Bureau of the Budget to comply with the Department's recommendation. If funds are made available, the missions will be sent at the earliest practicable date.

Our efforts to obtain the name of an American who might serve your Government as legal adviser appear to have been successful. Mr. John H. Spencer, who is understood to be well and favorably known in your country, has agreed to accept the position, subject to his release from the United States armed forces, where he is now serving. The Department has recommended that he be released to fill the post of Legal Adviser, and favorable action is anticipated.

We are pleased to know that you have been successful in obtaining the services of an American citizen to fill the post of Governor of the State Bank of Ethiopia. Mr. Blowers is favorably known to the Department. It is hoped that he will be able to fulfill your high expectations of him.

We are continuing our inquiries for a physician for the Emperor's household. Because of war demands it has been difficult to locate a physician of experience who is free to accept this post. However, the search will not be abandoned.

With reference to your efforts to obtain American technicians and teachers for service in Ethiopia, the Department will be glad to support requests for priorities for sea transportation for any persons selected by you. It is regretted that because of the heavy military demand being made on our air transport facilities it will probably not be possible to make air accommodations available to them.

The request of your Government for financial assistance from the United States has been communicated to the Treasury Department and to the Export-Import Bank with an indication of the Department's approval, and, as you have been informed, upon the submission of certain necessary data from your Government sympathetic consideration will be given by these agencies to the financial needs of Ethiopia.

The Department has officially confirmed to the Treasury Department, in compliance with your request, your position as Vice Minister of Finance of Ethiopia in order to enable the Treasury Department to begin work on the dies which you wish to have made, and it has also communicated similar information to the Security Bank Note Company, Philadelphia, Pennsylvania, in connection with your desire to

have that company make some lithographic plates for the printing of Ethiopian currency.

The Department has been glad to lend its good offices in placing you in contact with American radio companies with a view to the repair of the radio station in Addis Ababa or, if this should be found impracticable, the construction of a new station. Should your Government decide to go forward with this work the Department will be pleased to give its support to the issuance of any export licenses that may be required, although, as you know, radio equipment of all kinds is in very great demand at the present time for urgent military requirements.

The Department was gratified that your Government was able to accept the invitation to send delegates to the recent United Nations Conference on Food and Agriculture. To you, as chairman of the Ethiopian delegation, I would like to extend sincere thanks for the presence of yourself and your colleagues, Mr. Tesamma and Mr. Ababa.

As stated by the President in his recent letter to the Emperor, this Government will welcome the establishment of an Ethiopian Legation in Washington, but pending the establishment of the Legation it is hoped that your Government will feel free to take up with our Minister Resident in Addis Ababa any matters of mutual interest to our two countries.

In as much as you will be leaving the United States shortly to return to Ethiopia, I avail myself of this occasion to wish you, Mr. Tesamma and Mr. Ababa a safe and pleasant journey.

Sincerely yours,

For the Secretary of State:
WALLACE MURRAY
Adviser on Political Relations

884.001 Selassie/390a : Telegram

The Secretary of State to the Minister in Ethiopia (Caldwell)

WASHINGTON, October 8, 1943.

4. A competent American physician favorably known to the Department has expressed an interest in the position of personal physician to the Emperor but would not accept the post unless its scope could be broadened to include directorship of Public Health. Please ascertain whether the Ethiopian Government would be willing to defray salary and expenses of such a physician and whether the Government would be able to support a modest program of public health, with a view to eventual expansion as circumstances permit. The physician also feels that he would need one or two American physicians to serve as assistants and two or three trained nurses, latter

possibly obtainable in the Near East. He would also wish his wife, who has had both training and experience in laboratory technique, to accompany him and assist in his work if agreeable to the Ethiopian Government.

HULL

884.796/17

*Memorandum of Conversation, by Mr. Charles W. Lewis of the
Division of Near Eastern Affairs*

[WASHINGTON,] October 18, 1943.

Mr. Anis⁴² stated that he had just returned to the United States from Ethiopia, where he has been working during the past four months for the Ethiopian Government in charge of Ethiopian airfields. He was formerly in the employ of the Douglas Aircraft Corporation in Eritrea and was released, with the State Department's approval, to work for the Ethiopian Government.

Mr. Anis said that the Ethiopian Government greatly needed two transport planes in order to maintain communication and transport facilities with the various provinces. He expressed the opinion that Ethiopia has large internal aviation possibilities, and in view of the present very favorable attitude of the Ethiopian Government toward the United States he was confident that it would be an easy matter for American aviation to secure both development rights in the country and landing privileges for international routes. He expressed the hope that we would seize the opportunities now offered. The British, he said, were doing nothing for the moment as regards aviation in Ethiopia other than the operation of the BOAC biweekly service between Asmara and Addis Ababa, with a plane which carries only five passengers. This service, he said, was inadequate for that route, which has a large potential traffic if planes were available to carry it. The remainder of the country has no air services whatever, although the need is considerable and urgent.

Mr. Anis said that he would like to remain in Ethiopia, either in the employ of the Ethiopian Government or of this Government, provided this Government was willing to assist Ethiopia in obtaining some planes. While the Italians had left numerous good fields and Ethiopia greatly needed air transport, nothing could, of course, be done without planes. These, he added, the Ethiopian Government would be willing to pay cash for if they could not be obtained through lend-lease.

I said that we were very much interested in the matter and that I would like for him to talk with certain persons in the Government

⁴² Robert T. Anis.

who might be able to be helpful. I then arranged appointments for him with Mr. Austin of the Lend-Lease Administration, and Mr. Boulton . . . and I suggested that he also see Mr. Dawson of OEW.⁴⁴

Mr. Anis will return for further discussions in the Department on the subject in question.

740.0011 European War 1939/31888

The Minister in Ethiopia (Caldwell) to the Secretary of State

No. 6

ADDIS ABABA, October 21, 1943.

[Received November 11.]

SIR: I have the honor to report that today Mr. Yilma Deressa, Vice Minister of Finance, called by appointment to inform me, on behalf of the Emperor, that: an offer of the Ethiopian Government, made over a year ago through the British Minister here, to send a battalion of Ethiopian troops to join the forces of the United Nations on any of their fronts, was answered recently (as Mr. Deressa had informed me on September 17, 1943) with the statement that the offer could not be accepted unless the British Military Mission were retained in Ethiopia; the Ethiopian Government preferred to have the mission replaced by Military advisors attached to the Ministry of War, and paid by, and under the control of, the Ethiopian Government as in the case of the British advisors to various government departments at present, the Ethiopian Government claiming that the present system is not satisfactory to them because of the independence which it gives to the British Military Mission.

Although the Ethiopian Government considered that the condition made by the British was irrelevant to the offer of troops, the Ethiopian Government finally accepted the condition. Nevertheless, a few days ago the Ethiopian Government was informed that Ethiopian troops could not be accepted, as there is no place for them in the forces of the United Nations.

Respectfully yours,

J. K. CALDWELL

884.24/147b : Telegram

The Acting Secretary of State to the Minister in Ethiopia (Caldwell)

WASHINGTON, October 22, 1943—11 p. m.

12. Military equipment for 5,000 men has been approved. Plans for shipment now being worked out. Military radio equipment critical

⁴⁴ Office of Economic Warfare.

and cannot be supplied at present. Finger⁴⁵ and Anis are consulting with appropriate agencies in regard to transport planes.

STETTINIUS

884.515/34c : Telegram

The Acting Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, October 23, 1943—8 p. m.

1588. For Gunter⁴⁶ from Treasury. Repeat to Addis Ababa, Ethiopia. Suggested letter to be sent to the Secretary of the Treasury indicating Ethiopia's need for silver.

[“]My dear Mr. Secretary: It is believed that the following information will indicate the present vital need of Ethiopia for the silver which has been requested.

At the present time, Ethiopia does not have a national currency system of its own. The money in circulation in Ethiopia consists of East African notes, Maria Theresa dollars, and a small amount of East African and Italian subsidiary coin. This money is inadequate for the needs of Ethiopia. Great inconvenience in exchange results from the use of several kinds of money. Moreover, there is a marked shortage of subsidiary coin.

To correct this situation and to aid the economic development of Ethiopia, the Imperial Government of Ethiopia plans to establish a national currency system and retire the money now in circulation. To insure an adequate supply of subsidiary coin, an essential part of the new currency system, it will be necessary to have 5,430,000 ounces of silver for the minting of Ethiopian 50-cent pieces. It has been concluded that the use of any substitute for silver in this coin would not be practical in Ethiopia.

The only silver the Imperial Government of Ethiopia now has on hand consists of some 2,000,000 Maria Theresa dollars, the silver content of which is approximately 1,500,000 ounces and could supply only a fraction of the silver requirement. In view of the urgency of the need, the lack of minting facilities in Ethiopia, the difficulties in providing for coinage in two places and the time which would be lost in the transportation of dies, it would be impractical to attempt to use the Maria Theresa dollars for a part of the silver needed at the present time.

Accordingly the Imperial Government of Ethiopia finds it necessary to fill the present requirement for silver from other countries. Consideration has been given to possible sources of supply, and it has been determined that the United States is the only available source from which silver may be procured.

In view of these facts, the Imperial Government of Ethiopia sincerely hopes that it will be possible to grant the request for the lend-lease of 5,430,000 ounces of silver from the stocks of the United States Treasury through the Office of Lend-Lease Administration, the silver to be returned to the United States Treasury on an ounce for

⁴⁵ John W. Finger, who had been engaged by the Ethiopian Government to assist on lend-lease aid, etc.

⁴⁶ John W. Gunter, Treasury representative in Cairo.

ounce basis within 5 years after the end of the existing national emergency in the United States, as determined by the President of the United States, provided, however, that if the conditions of the world supply of silver make it advisable such period may be extended by agreement of both governments for an additional 2 years.

Very truly yours,

Name of Representative and Title."

STETTINIUS

884.515/34d : Telegram

The Acting Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, October 23, 1943—9 p. m.

1589. For Gunter from Treasury. Repeat to Addis Ababa, Ethiopia.

"1. The United States is prepared to lend-lease 5,430,000 ounces of silver for purposes of coinage to Ethiopia as requested on behalf of his government by Mr. Deressa, Vice Minister of Finance.

2. Further negotiations pertaining to the lend-leasing of the silver, including notification of the Ethiopian Government of the above, will be carried on through the Legation at Addis Ababa.

3. The United States is prepared to mint the coin here. It is understood that the costs of minting and of shipping the coin to Addis Ababa will be paid for by the Government of Ethiopia, although, if necessary, the cost of shipping may be extended to Ethiopia as additional lend-lease aid.

4. The Treasury will send to the Legation: (a) a suggestion of the type of statement that Ethiopia should furnish indicating the necessity for lend-leasing silver; (b) a formal contract requiring the Government of Ethiopia to return the silver to the Treasury on an ounce for ounce basis within a period of 5 years after the end of the existing national emergency in the United States, as declared by the President of the United States, provided, however, that if conditions of the world supply of silver make it advisable such period may be extended by agreement of both governments for an additional 2 years. Both of these documents should be signed by an appropriate representative of the Ethiopian Government as determined by the State Department.

5. The coin will be shipped to the Legation in Addis Ababa for delivery to the Ethiopian Government. Upon delivery a receipt for the silver must be signed by an appropriate Ethiopian official as determined by the State Department. The form of the receipt will be sent to the Legation by Treasury. The data called for in the receipt, namely, number of coins, type of coins, denomination, and total silver consumed in minting (troy weight), will be cabled to the Legation at the time of shipment.

6. Pursuant to its treaty obligations, it is assumed by the United States Government that Ethiopia will notify the British Government of its intent to sign an agreement for the return of silver lend-leased for coinage. This should be made clear to the Ethiopian Government."

STETTINIUS

884.515/34e : Telegram

The Acting Secretary of State to the Minister in Ethiopia (Caldwell)

WASHINGTON, October 23, 1943—9 p. m.

13. From Treasury.

"Text of Agreement

Office of Lend-Lease Administration,
Washington, D. C.

Sirs: The Emperor of Ethiopia, through _____ his
(Name)
 _____, hereby requests the Office of Lend-Lease Ad-
(Title)
 ministration to supply, as soon as possible, 5,430,000 ounces of silver
 under the Act of March 11, 1941, from the stocks of the United States
 Treasury silver.

I hereby agree on behalf of the Emperor of Ethiopia that Ethiopia shall return to the United States Treasury, within 5 years after the end of the existing national emergency in the United States, as determined by the President of the United States, an amount of silver bullion equivalent to the total number of ounces of silver transferred to Ethiopia under the Act of March 11, 1941, from the stocks of the United States Treasury silver, provided, however, that if the conditions of the world supply of silver make it advisable such period may be extended by agreement of both governments for an additional 2 years.

Very truly yours,

(Title of representative)"

STETTINIUS

884.515/34e Suppl : Telegram

The Secretary of State to the Minister in Ethiopia (Caldwell)

WASHINGTON, November 26, 1943—10 p. m.

42. Treasury has been informed by its representative at Cairo, Gunter, that "Legation at Addis Ababa has taken no action on lend-leasing silver to Ethiopia on the grounds that no instructions to do so have been received."

The following telegrams have been sent to you :

1. Department's no. 1589 to Cairo for Gunter from Treasury, repeated to Addis Ababa, containing general information as to the procedure to be followed.

2. Department's no. 1588 to Cairo for Gunter from Treasury repeated to Addis Ababa, containing a suggested letter of request to be signed by an appropriate representative of the Ethiopian Government and forwarded to the Secretary of the Treasury.

3. Department's no. 13 to Addis Ababa from Treasury, containing the text of an agreement which must be signed by an appropriate

representative of the Ethiopian Government and forwarded to the Office of Lend-Lease Administration, Washington, D. C.

4. Department's no. 14⁴⁷ to Addis Ababa from Treasury, containing the text of the receipt which must be given by a duly authorized representative of the Ethiopian Government when the coins are delivered.

You are hereby specifically authorized to assist the Ethiopian Government to complete the letter of request and the agreement, which you should then transmit to the Department by diplomatic pouch. You should inform the Department by telegram when these documents have been signed, and Treasury will proceed with minting of coins.

With regard to the signature of the request and the agreement, the signature of an appropriate official of the Ethiopian Government will suffice if the Emperor does not wish to sign the documents personally, but in such case we suggest that the Emperor should be asked to sign a letter or publish a decree designating the appropriate official and authorizing him to sign. The letter or decree should contain a reasonably clear indication of the content of the documents the official is authorized to sign. Please advise the Department as to the form of authorization which in your opinion will best guarantee that the agreement to return the silver will be permanently valid and binding upon the Ethiopian Government, and will at the same time accord with customary practice on such matters in Ethiopia.

Since there is now an Ethiopian Legation in Washington, and the coins will be minted here, Treasury suggests that transfer of the coins for the receipt take place here. The official who would sign the receipt in Ethiopia could probably delegate his authority to Ethiopian Minister here. Please discuss this with appropriate officials in Ethiopia and report to the Department.

Sent to Addis Ababa, repeated to Gunter at Cairo.

HULL

884.515/36 : Telegram

The Minister in Ethiopia (Caldwell) to the Secretary of State

ADDIS ABABA, December 2, 1943—noon.

[Received 2:10 p. m.]

68. I have discussed with the Vice Minister for Foreign Affairs the matter of the silver referred to in the Department's telegram No. 42, November 26, 10 p. m., and left with him a signed communication with copies of the three documents which will require signature. I have amended the note of request and the contract to provide for signature by the Emperor and stated in my note that it is presumed that he will sign them, explaining orally in reply to a query of the Vice Minister

⁴⁷ October 23, not printed.

that this was due to the lack of both Minister of Finance and Minister of Foreign Affairs. It is my understanding that this lack is due to the desire of the Emperor to act as his own Minister of Finance and Minister of Foreign Affairs, in which case it would seem that the documents in question should be signed by the Emperor. If any other course is proposed I will communicate further regarding it.

The Vice Minister for Foreign Affairs informed me orally yesterday that question is now to be discussed with the British Minister pending the result of which documents submitted by me cannot be signed.

Repeated to the Legation Cairo for Gunter.

CALDWELL

884.01A/59

*Memorandum of Conversation, by Mr. Clare H. Timberlake of the
Division of Near Eastern Affairs*

[WASHINGTON,] December 7, 1943.

Participants: Mr. Alling
Mr. Winant—EH⁴⁸
Mr. R. O. Marsh, Chief of Mission
Mr. Stone—FEA⁴⁹
Mr. Fellows—FEA
Mr. Lewis
Mr. Timberlake

This conference was held to discuss the present organization of the combined missions, progress made in securing personnel, plans for departure and the manner of effecting liaison between the mission and the MESC,⁵⁰ Cairo.

Mr. Marsh stated that the majority of the eleven experts which he considered necessary had been secured for the mission. They would be consolidated into one unit with himself as chief of mission and would include agricultural, engineering and mining specialists as well as an economist and a doctor. The latter two had not yet been definitely selected but Mr. Marsh believed Dr. Avery would be the most suitable medical man if he would accept.

A memorandum of organization and functions of personnel drawn up by Mr. Marsh was given to each person present. Since there were several corrections to be made, the memoranda were returned to Mr. Marsh.

Mr. Winant pointed out that in his opinion it would be highly desirable to tie in this mission with the MESC, since civilian sup-

⁴⁸ Frederick Winant, adviser, office of the Special Adviser on the Eastern Hemisphere.

⁴⁹ William T. Stone, Foreign Economic Administration.

⁵⁰ Middle East Supply Center.

plies to that area came under MESC jurisdiction and since the MESC already had agricultural and other experts working on the Ethiopian problem. Mr. Alling stated that in his opinion such liaison was desirable but called attention to the fact that the request by the Emperor for such missions was made to President Roosevelt and the presumption was that Ethiopia wanted a purely American approach. Mr. Stone agreed. Mr. Winant then suggested that the economist needed by the unit might be supplied from Mr. Landis' ⁵¹ staff in Cairo and might act as the immediate point of contact between MESC and the unit. There was agreement on this point and Mr. Winant stated that he would ask Mr. Landis to select an American member of his staff to serve as economist.

All present agreed that the mission should depart as soon as possible. Mr. Marsh expected the mission to be ready to go by January 15. Mr. Alling then suggested that the Department inform Mr. Caldwell, for transmission to the Ethiopian Government, that it was believed that the mission would leave the United States the latter part of January.

Mr. Alling suggested that it might be desirable to combine the position of doctor and public health officer of the mission with that of personal physician to the Emperor. He pointed out that qualified doctors approached in the latter connection by the Department had usually felt that such a position provided too little scope for them and desired additional opportunities to be of service in Ethiopian public health. Mr. Marsh believed that a suitable combination of functions might be worked out and said that he would broach the subject to Dr. Avery.

884.01A/59 : Telegram

The Secretary of State to the Minister in Ethiopia (Caldwell)

WASHINGTON, December 13, 1943—11 p. m.

58. Please inform the Ethiopian Government that the agricultural, engineering and mining missions have been consolidated into one unit including 11 experts and that the mission plans to leave the United States about the end of January.

HULL

⁵¹ James M. Landis, American Director of Economic Operations in the Middle East and principal American civilian representative on the Middle East Supply Center with personal rank of Minister.

884.01A/62

*The Chief of the Division of Near Eastern Affairs (Alling) to the
First Secretary of the British Embassy (Hayter)*

WASHINGTON, December 31, 1943.

MY DEAR MR. HAYTER: The American technical mission to Ethiopia, which has been the subject of several recent discussions between us, is now virtually complete as to organization and personnel and expects to leave the United States toward the end of January 1944. A brief indication of its origin, purpose and composition may prove of interest and value to you as background.

In a formal communication dated June 24, 1943,⁵² Mr. Yilma Deressa, Vice Minister of Finance of Ethiopia, who was then in the United States, expressed the hope that the Government of the United States would send various missions to Ethiopia to assist in the rehabilitation of the country and to help Ethiopia make a greater contribution to the war effort. This hope was reiterated by Mr. Deressa in an *aide-mémoire* left with President Roosevelt on July 13, 1943, and, in later conversations in the Department of State, Mr. Deressa stated that the Emperor of Ethiopia was anxious to arrange for the sending of three missions in particular, a highway engineering mission, an agricultural mission and a minerals mission. To these three a fourth was added when the Ethiopian Government requested that a medical mission also be sent.

While the original plan drawn up by this Government called for the organization of four separate missions, it was eventually decided that their functions were so interrelated that the missions should be consolidated under a single administrator or Chief of Mission and the present structure of organization reflects that decision. As now constituted, the mission is headed by Mr. R. O. Marsh, an engineer with long experience and excellent background who will act as Chief of Mission, and includes a Chief Engineer's representative who will accompany the unit during its initial operations, and an Economic Advisor who will study the relations between Ethiopian rehabilitation and Near Eastern supply and who will be drawn, if possible, from American representation on the Middle East Supply Center in order to secure effective liaison with the Center. The technical personnel accompanying them includes a head civil engineer, a structural engineer, a construction engineer, an expert in mining and minerology, an expert geologist, an animal husbandry expert, an agronomist and an expert in public health. An executive secretary brings the staff of the mission to a total of twelve members.

The mission is sponsored by the Foreign Economic Administration and the Department of State. It is expected that the mission will be

⁵² Missing from Department files.

able to lend advice and assistance to the Ethiopian Government in connection with problems of road construction, repair and maintenance, repair, maintenance and operation of public works, agricultural production and animal husbandry, exploration and development of mineral resources and the encouragement of better sanitation and public health. The mission may be described as exploratory in character, but it is anticipated that a considerable amount of actual work will be undertaken and concrete results obtained. The activities of the mission are expected to be complementary to those of other organizations and individuals giving similar aid to Ethiopia and should make a genuine contribution to the economic rehabilitation, health and welfare of Ethiopia and its people.

I shall be glad to let you know when the mission eventually departs for Ethiopia and to provide further information concerning the activities of the mission should it be of interest to you.⁵³

Sincerely yours,

PAUL H. ALLING

⁵³ In a letter of March 31, 1944, the Chief of the Division of Near Eastern Affairs informed Mr. Hayter that the technical mission had just departed from the United States, the position of head of the mission having been filled by Mr. Perry A. Fellows, Assistant Chief Engineer of the Foreign Economic Administration (884.01a/76a).

Mr. Fellows arrived in Addis Ababa on May 2, 1944, with James M. Landis, American Director of Economic Operations in the Middle East; both were immediately received the same day by Emperor Haile Selassie (884.01a/81).

GREECE

POLICY OF THE UNITED STATES REGARDING THE QUESTION OF THE POLITICAL ORGANIZATION OF GREECE FOLLOWING LIBERATION FROM GERMAN OCCUPATION

868.01/327 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, March 2, 1943—7 p. m.

[Received 8:20 p. m.]

444. According to British Embassy source King of Greece¹ accompanied by Tsouderos² and certain other members of Greek Government is expected to arrive here some time this month in order to take up permanent residence in Cairo until return to Greece possible. Egyptian Government said to have acquiesced but requested that King not set up court. Embassy source observed that move will in effect constitute transfer of Greek Government from London to Cairo but not clear yet whether transfer would be officially announced and thus raise question of foreign diplomatic representation to Greek Government. Reaction among Greek community expected to be divided since many will undoubtedly interpret transfer as intended to give present Government opportunity to consolidate its position immediately upon liberation of Greece from Axis.

KIRK

868.20/100: Telegram

The Acting Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, March 9, 1943—2 p. m.

356. Following received from London:

'1668, March 8, 9 p. m. The Greek 'army' in the Middle East has mutinied, Sargent³ told me this afternoon, following a conversation he had just had with the Prime Minister. Sargent attributed this to 'Greek politics and Kanellopoulos'⁴ recent changes in officer personnel.' He denied that it was in any sense a revolt against the King and his government. The 'army' at present he said consists of two

¹ George II.

² Emmanuel J. Tsouderos, Prime Minister of Greece.

³ Sir Orme Garton Sargent, British Deputy Under Secretary of State for Foreign Affairs.

⁴ Panayotis Kanellopoulos, Deputy Prime Minister and Minister of Defense in the Greek Government in Exile.

battalions and the third is about to be formed. The Greek Prime Minister has agreed to place the 'army' entirely under the jurisdiction and command of General Wilson."⁵

Please report as fully as possible on this subject.

WELLES

868.00/1193 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, March 13, 1943—6 p. m.

[Received March 13—5:53 p. m.]

505. My 493, March 12, 10 a.m.⁶ Office of Minister of State⁷ advises that Greek Army crisis has impelled King of Greece to advance date of coming here and now expected imminently. In meantime British are exerting every effort to prevent publication of news of troubles at least until King arrived and it has been suggested that it would be helpful if American authorities could also assist in stopping publicity on matter. Same source adds that British Ambassador to Greece in London⁸ will be transferred here coincidental with installation of Greek Government in Cairo and that thereafter Greek affairs here will be handled by Ambassador rather than Minister of State. I shall of course be in personal contact with the King after his arrival.

KIRK

868.01/328 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, March 15, 1943—11 a. m.

[Received March 15—9:04 a. m.]

508. My 505, March 13, 6 p. m. The King of Greece arrived this morning.

KIRK

⁵ Gen. Sir Henry Maitland Wilson, British Commander in Chief, Middle East.

⁶ Not printed.

⁷ The Minister of State was the representative of the British War Cabinet in the Middle East, with Cabinet rank. His duties included political guidance to the Commander in Chief in the Middle East and he was generally responsible for the conduct of political affairs in the area resulting from the war. The incumbent at this time was Richard G. Casey.

⁸ Reginald W. Allen Leeper was appointed British Ambassador to the Greek Government in Exile on March 11.

711.90/69

*Memorandum by the Adviser on Political Relations (Murray) to the Secretary of State*⁹

[WASHINGTON, March 16, 1943.]

GREECE

In a statement of their policy towards Greece which the British recently gave us,¹⁰ they make it clear that they hope King George II will return to Greece and that they will help him get back. Though they recognize the King's lack of popularity in Greece and say they "do not intend to restore the King by force", they aim to "sell the King and the Tsouderos Government" to the Greek people, in part, at least, by persuading them that the King intends to rule as a democratic constitutional monarch. They add that they are themselves satisfied as to the purity of the King's intentions and that they feel that a monarchical régime would provide a more stable government in Greece than a "republican regime which in the past failed to produce anything but weak and unreliable governments".

We agree with the British in recognizing the Greek King and exiled Government as the legal Government of Greece and in hoping that all Greeks will subordinate politics to the immediate purpose of winning the war and liberating the occupied countries. We are also aware that continuity in government until the Greek people have a chance to express themselves is essential.

After giving this question thorough study (see NE's memorandum of December 28, 1942¹⁰), we believe this Government should not—in fact, cannot—go along with the rest of the British policy towards Greece. In our view:

(1) The question of the acceptability of King George II by the Greek people is one that can only be determined by the latter, and in view of their known opposition to the King they should be given a chance to express themselves freely on the subject. If the King can

⁹ Prepared in the Division of Near Eastern Affairs by Mr. Kohler and sent by the Adviser on Political Relations to the Secretary of State for use in his conversations with Mr. Anthony Eden, British Secretary of State for Foreign Affairs, during the latter's visit to Washington in March 1943; see vol. III, pp. 1 ff. On March 29 Mr. Murray had a conversation with Mr. William Strang, British Assistant Under Secretary for Foreign Affairs, who accompanied Mr. Eden to Washington. During the course of this conversation Mr. Murray put orally to Mr. Strang two questions on Greek affairs which were based on this memorandum. The questions were: (1) Does the British Government contemplate that the Greek people will be given the opportunity to express themselves as regards the restoration of the Monarchy in Greece or only as regards the composition of the Government? (2) Does the British Government believe that King George and the Government in Exile, or either of them, should return to liberated Greece before the Greek people express their political will? Mr. Strang referred the questions to the Foreign Office for reply, and they were answered in an *aide-mémoire* of April 24, p. 131.

¹⁰ Not printed.

“sell” himself to the Greek people, despite having let them down several times before, well and good. The selling job should not, however, be undertaken by a foreign power.

Incidentally, while the various declarations of the Greek King, Premier and Deputy Premier promise that the composition of the Greek Government will be submitted to the will of the people, they carefully avoid any pledge that the people will be invited to pronounce themselves on the question of the form of government (i. e. republican or monarchial).

(2) A British campaign to “sell” the Tsouderos Government to the Greek people, besides constituting intervention in Greek internal affairs, seems likely to stir up political dissension and divide the Greek people on the old Royalist and anti-Royalist lines, rather than to create unity.

(3) The British conclusion that only a monarchial régime will assure stable government in Greece, seems to us to be warranted neither by the facts of recent Greek history nor by a reasonable analysis of the present temper of the Greek people.

(4) Return of the King and Tsouderos Government to Greece under the wing of an Allied military occupation would largely deny to the Greek people the free choice of their own Government promised in Article 3 of the Atlantic Charter.¹¹ More immediately, it might well involve serious internal disorders, since it appears from reliable indications that both political and military elements in Greece are organized to oppose a restoration of the King.

Under the circumstances, it seems to us essential to get together with the British and decide on a practical method of handling this question and the connected question of other governments in exile. In our opinion it would be advisable for the King and the Tsouderos governments to refrain from returning to Greece until there has been an opportunity for the people to express their will freely under the auspices of an impartial Allied occupation.

There is reason to believe that the Greeks realize that the British intend to restore the King; that they are looking to the United States to see that they get the promised opportunity to express their own will; and that, if we fail them, they will turn to Soviet Russia.

The serious nature of the Greek political problem has been emphasized by the recent mutiny in the Greek armed forces in Syria and the resignation of the young liberal Deputy Prime Minister and Defense Minister, Panayotis Kanellopoulos, who escaped from Greece and joined the Greek Government some ten months ago.

¹¹ Joint statement by President Roosevelt and British Prime Minister Churchill, August 14, 1941; *Foreign Relations*, 1941, vol. I, p. 367.

868.00/1199 : Telegram

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

LONDON, March 23, 1943—8 p. m.
[Received March 23—5:45 p. m.]

Greek Series 1. From Biddle.¹³ Your 1670, March 19, 6 p. m.¹⁴ As result of my very recent conversations with Greek Ambassador to the Court of St. James, Aghnides¹⁵ (also acting in capacity of "Permanent Undersecretary" directing work of that part of Foreign Office staff which will be left in London) and my British colleague Ambassador Leeper, I learn the following:

That the question of the Egyptian Government's granting the Greek Government extraterritoriality is still in course of negotiation between the Egyptian and British authorities; that while it may be said that the Egyptian Government has agreed in principle to the establishment of the Greek Government in Egypt, the Egyptian Government's attitude has not thus far been very forthcoming in matter of granting extraterritoriality. (It is my impression that the Egyptian Government's reluctance arises from apprehension as to the potential effect of granting such rights, upon Egypt's status as a non-belligerent ally).

Leeper has received instructions to proceed immediately to Cairo with a view to bringing these negotiations to a definite conclusion. Aghnides will keep me advised as to the progress thereof.

I strongly recommend that, once this question is settled, we adopt the following course: (a) that at the appropriate moment Minister Kirk be temporarily appointed Chargé d'Affaires; and (b) that I be authorized to proceed promptly to Cairo in order (1) to pay my respects to and to take leave of King George II and Prime Minister and Foreign Minister Tsouderos, and (2) to "turn over" to Minister Kirk and to fully enlighten him on current political background. (I feel this could be accomplished more satisfactorily in talks than by correspondence.)

I have discreetly ascertained that this would prove a welcome move in the eyes of the British as well as the Greek Government. Furthermore, I strongly believe that this spontaneous gesture would be in keeping with the spirit of this Mission, and in such light would have a stimulating effect upon the present tense frame of mind not only of the Greek, but also of the other Allied Governments here who, as a whole, constantly suffer from supersensitivity characteristic of exiled mentality, and who have recently become increasingly apprehensive

¹³ Anthony J. Drexel Biddle, Jr., Ambassador to the Greek Government in Exile, at London.

¹⁴ Not printed.

¹⁵ Thanassis Aghnides.

concerning their respective roles in the plans to liberate their own countries.

I earnestly hope you may agree with the foregoing recommendations. Should it seem advisable to fly to Cairo before Rudolf Schoenfeld's¹⁶ return, I recommend that you name Waldemar Gallman¹⁷ Chargé d'Affaires until my and/or Schoenfeld's return. [Biddle.]

MATTHEWS

868.00/1201 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, March 24, 1943.

[Received March 24—10:18 p. m.]

572. It is announced that following new Ministers this morning joined Greek Government and took oath before King George in presence of Prime Minister Tsouderos:

George Roussos as Vice Premier and Minister of Marine; Byron Karapanayiotis as Minister of War and Acting Air Minister; and Emmanuel Sofoulis as Minister of Public Welfare.

It is also announced that the resignation has been accepted of Admiral Sakellariou as Commander-in-Chief of the Fleet and that those of Admiral Cavadias as Under Secretary of the Navy, of General Nicolaidis as Under Secretary for Air and of Sekeris as Minister of Education had previously been accepted.

KIRK

868.00/1203 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, March 24, 1943—7 p. m.

[Received 10:20 p. m.]

573. My 545, March 20, 7 p. m. and 570, March 24.¹⁸ Commenting on the reformation of the Greek Cabinet, Minister Karapanayiotis this afternoon informed a member of the Legation that, while somewhat less change has been made than was anticipated, particularly in that the Metaxist Minister of Finance Varvaressos has been retained and the nomination of Admiral Voulgaris to the Marine Portfolio has been postponed pending conclusion of the investigation of the Army revolt in which he is alleged to have been implicated in both of which actions the King is stated to have received firm British support, nevertheless the Government as now constituted is generally satisfactory to the Army units. At the same time Karapanayiotis and Sofoulis are both

¹⁶ Counselor of Embassy near the Greek Government in Exile.

¹⁷ First Secretary of Embassy in the United Kingdom.

¹⁸ Neither printed.

reported to have stated that in the negotiations for this democratization of the Cabinet no commitments have been made either by the new Ministers or by the King as to post-hostilities political affairs.

I understand that the King left for Syria this afternoon in company with General Wilson and will visit the Greek troops tomorrow.

KIRK

868.00/1234

*Memorandum by Mr. Foy D. Kohler of the Division of Near Eastern Affairs*¹⁹

[WASHINGTON,] March 24, 1943.

Attached is a copy in the original Greek and an English translation of a new declaration issued by the Greek King and Government, pledging that the King, as well as the Government, will submit himself to a free expression of the will of the Greek people after the war. Previous declarations have given the same assurance as regards the Government but have carefully avoided any commitment as regards the position, i. e., they have heretofore promised the people a free choice as regards the composition of their Government, but not as regards its form.

The present declaration, which takes the convenient form of a message to the principal guerilla leader in occupied Greece,²⁰ is a notable step toward the complete acceptance by the Greek régime, as regards themselves, of the provisions of Article III of the Atlantic Charter. As such, it will unquestionably be carefully noted by the other exiled régimes, who may well feel obliged to follow suit at appropriate times. This would go a long way toward clearing up the potential headache of what to do about the exiled governments.

The Greek declaration is the first fruit of the recent "mutiny" in the Greek armed forces in the Near East, whose temper appears to be approximately the same as that of the Greek people in Greece, as nearly as can be judged by the limited information at our disposal. It seems likely that a re-shuffling of the Cabinet on Veniselist lines will be announced shortly and that the King will go to Syria and repeat the new assurances to the Greek troops, probably tomorrow, on the occasion of Greek Independence Day.

It is my opinion that the King has a much better chance of retaining the Greek throne by pursuing the present course than by trying to force himself on the Greek people without giving them a chance to express their will.

¹⁹ Addressed to the Adviser on Political Relations (Murray), the Chief of the Division of Near Eastern Affairs (Alling), and the Assistant Chief of the Division (Merriam).

²⁰ Col. Napoleon Zervas.

[Enclosure]

Statement of King George II

CAIRO, March 21, 1943.

The King and the Government received from Colonel Napoleon Zervas, leader of the various guerrilla bands in Greece, a message with expressions of devotion and assurances about the continuation of the struggle. The following answer was given to this message:

"His Majesty and the Hellenic Government thank all the officers and men of the forces fighting in Greece against the enemy and congratulate them for their patriotic activities.

"These activities contribute greatly to the success of the national struggle for the liberation and rehabilitation of our country, to which (struggle) the King and the Government, being established now in Cairo, as well as the Greek Armed Forces in the Middle East, devote all their endeavors.

"The King after his return to Greece, will base himself on the will of the people and will follow the opinion which the people will express freely on all questions concerning them."

868.01/3334

*The British Embassy to the Department of State*²¹

AIDE-MÉMOIRE

The following summary statement with respect to His Majesty's Government's policy towards Greece has been sent to His Majesty's Minister of State, Cairo.

His Majesty's Government hold strongly to the principle that the final form of government for Greece is a matter for the Greek people to decide. During the period immediately following the liberation of Greece from occupation by the enemy, especially if military operations are proceeding elsewhere, the existence of a stable Government is the first essential. The only nucleus at present for such a government is provided by the King. The policy of His Majesty's Government in respect of Greece may, in view of these considerations, be summarised as follows:

(a) Full support to the King and present Government: such support to be manifested in all their contacts in Greece itself and in their propaganda generally;

(b) Approval of declarations by the King and the Prime Minister to the effect that the Government are not exercising dictatorial authority and that they intend to leave it to the Greek people to determine their future political conditions;

²¹ Handed on April 27 to Mr. Foy D. Kohler by Mr. Donald Hall, First Secretary of the British Embassy, who stated that it was in response to the questions on Greek affairs put to Mr. Strang of the Foreign Office by Mr. Murray; see footnote 9, p. 126.

(c) The maintenance and strengthening of the King's personal authority in regard to the Greek Army, Navy and Air Force; the King should therefore not be constrained to compromise with the mutineers in the recent revolt if these are found guilty of disloyalty by the Commission of Enquiry and the King prefers not to show leniency;

(d) Approval of the broadening of the basis of the present Government.

His Majesty's Government had already come to the conclusion before the recent Army disturbances which make it all the more necessary, that the time had come to concentrate their efforts on building up the King and the present Government and they pressed the latter to establish themselves in Egypt because among other reasons it seemed that this building up could be done more easily and effectively if they were in Egypt and not in London.

Since, as stated above, it is requisite that there should be a strong administration in Greece as soon as liberation takes place or our operational needs demand, it is not the policy of His Majesty's Government to encourage the idea that immediately Greece is liberated a plebiscite shall be organised under British aegis to determine whether the monarchy shall be maintained or abolished. His Majesty's Government however approve the intention of the present Government to resign on its return to Greece so as to enable the King to form another Government representative of all those sections in Greece which are ready to collaborate with the King in restoration of the country. Nor would His Majesty's Government object to the holding of elections at a moment considered appropriate by Allied commanders if an overwhelming demand for an alternative to the Tsouderos Government, even if broadened, were to manifest itself. But His Majesty's Government strongly deprecate the immediate raising of the Constitutional issue which would call the existing monarchical regime in question. This of course would not preclude the raising of such issue when the period of military necessity has passed.

Meanwhile His Majesty's Government feel that even during the period of exile the Greek Government should be made as representative of the people as is possible in the circumstances. As soon therefore as His Majesty's Ambassador to Greece, Mr. Leeper, arrives in Cairo, he will discuss with the Greek Government the possibility of getting suitable political and resistance leaders as well as officials out of Greece who would be prepared to enter the Administration.

WASHINGTON, April 24, 1943.

868.01/3332

The Department of State to the British Embassy

MEMORANDUM

The British Embassy's *aide-mémoire* of April 24, 1943, setting forth the policy of the British Government in respect to Greece, has been examined with interest.

The Government of the United States is for the most part in agreement with these views. In particular, this Government welcomes the British Government's statements that it holds strongly to the principle that the final form of government for Greece is a matter for the Greek people to decide; and that, while the British Government deprecates the immediate raising of the Constitutional issue which would call the existing monarchical régime into question, this would not preclude the raising of this issue when the period of military necessity has passed.

The American Government recognizes the present Greek régime as the Government of Greece and acknowledges the necessity for continuity in government until the Greek people shall have had an opportunity to express their will.

This Government has welcomed the declarations of the King and Government of Greece that they do not intend to exercise dictatorial authority and will leave to the Greek people the determination of their own future political condition.²² It would also be pleased to see the present Government broadened by the inclusion of appropriate political and resistance leaders from Greece itself. It shares the confidence of the British Government in the friendly and loyal sentiments of the Greek King and Government and their devotion to the Allied war effort.

The American Government has constantly urged all Greek factions to postpone their political quarrels and remain united in the immediate purpose of helping to win the war and to liberate their occupied homeland. It realizes, however, that there exists among the Greek people widespread hostility to the monarchy, and this hostility appears to have developed certain organizational bases within Greece. In the opinion of this Government this question is one between the Greek people and the Greek King and, in its view, the King must himself satisfy the Greek people that this hostility is unjustified and that his future rule would be in accord with their sentiments and will. This Government believes that the principal Allied Governments should carefully avoid any action which would create the impression that they intend to impose the King on the Greek people under the protection of an Allied invading force or that the Greek

²² See memorandum by Mr. Foy D. Kohler of the Division of Near Eastern Affairs, March 24, p. 130.

people can secure the rewards of the common victory only at the price of accepting the return of the monarchy. This Government would regard it as a great tragedy should any civil disturbances arise in Greece as a result of internal opposition to the return of the King, in which it might be necessary for Allied troops to intervene.

Consequently, while this Government wishes the Greek King and Government well in any efforts they may make to obtain the support of the Greek people and reenforce their authority in regard to the Greek armed forces, it is not prepared to undertake, or actively to associate itself with measures designed to promote these purposes.

It seems likely that Crete may be freed from enemy occupation prior to the liberation of the Greek mainland. This Government would suggest the desirability, in such event, that the Greek King and Government remain established in Cairo, being requested, however, at an appropriate time, to appoint a Governor-General of the Island, preferably a Cretan acceptable to the local leaders. This would avoid a possible outbreak of civil strife in Crete and would provide an opportunity for first-hand Allied observation of the attitude and temper of the Greek people toward the monarchy as a guide to the course of action which should be followed after liberation of the mainland.

WASHINGTON, July 2, 1943.

868.01/355 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) ²³ to the
Secretary of State

CAIRO, July 3, 1943—6 p. m.

[Received July 4—8:03 a. m.]

10. King of Greece will broadcast important declaration to Greek people from Cairo, Egypt at 1630 Greenwich time tomorrow July 4th. Prime Minister has emphasized to me importance of this broadcast and while at request of Greek authorities OWI ²⁴ is arranging widest possible American publicity both in English and Greek press, Mr. Tsouderos also indicated that any supporting comment the Department might see fit to make in regard to it would be appreciated.

Brief summary of address which is not to be released for publication prior to delivery follows in my 11, July 3, 7 p. m.²⁵

KIRK

²³ Alexander C. Kirk presented his credentials as Ambassador to the Greek Government in Exile at Cairo on June 15, 1943, which office he held in addition to that of Minister to Egypt.

²⁴ Office of War Information.

²⁵ *Infra.*

868.01/356 : Telegram

*The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State*CAIRO, July 3, 1943—7 p. m.
[Received July 3—3: 51 p. m.]

Greek Series 11. After mentioning high esteem in which Greece is held by her Allies and quoting tribute from commander of British forces in the Middle East ²⁶ with whom the Greek Army is serving broadcast reminds people that national unity is essential to success of struggle and must be preserved until the day of liberation when people "will be invited to decide by popular and free vote the institutions with which Greece must endow herself in sympathy with forward march of democracy".

Address continues with declaration that "as soon as security of country is complete and necessities of military operations allow free and general elections for a constituent assembly will be held and will take place within 6 months as Government has decided. I am confident that no Greek and least of all myself will fail to respect decision of constitutional assembly."

Address continues: until nation has expressed its sovereign will constitution of 1911 will be maintained in all provisions and when seat of government can be transferred to Greek soil present members will resign as Prime Minister has announced in order that fully representative government can be formed to guarantee freedom and order lines of these elections.

Speech concludes with call to people to dedicate themselves to cause of victory.

KIRK

868.01/356 : Telegram

The Secretary of State to the Ambassador to the Greek Government in Exile (Kirk), at Cairo

WASHINGTON, July 5, 1943—7 p. m.

Greek Series No. 5. Your 10, July 3, 6 p. m. and 11, July 3, 7 p. m. In response to Mr. Tsouderos' request, I was glad to make the following comment on the King's radio address in reply to a question from the press this morning:

"I welcome these declarations of His Majesty the King of the Hellenes. They constitute a reaffirmation of the devotion of the Greek Government to the ideals of democracy and a reassurance to the Greek people that they shall enjoy the full exercise of the sovereign rights of

²⁶ Gen. Sir Henry Maitland Wilson.

which they have proven themselves so worthy by their heroic resistance to Axis aggression."

HULL

868.01/364 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, July 8, 1943—4 p. m.

[Received July 9—8:53 a. m.]

Greek Series 17. Your Greek Series No. 5, July 5, 7 p. m. In reply to a letter to Greek Prime Minister transmitting statement contained in the telegram under reference, I have today received a communication from him as follows:

"The statement made by the Secretary of State Mr. Cordell Hull ²⁷ on His Majesty's radio to the Greek people was very gratifying to us. It has indeed cast the proper light on this solemn and important declaration of the sovereign which will undoubtedly have a decisive and favorable influence on the solution of the political problems of our country.

The Government and myself have also much appreciated the comments of Senators Guffey and Pepper ²⁸ on the same matter.

I should be grateful if you would kindly transmit to the Secretary of State our sincere thanks for the warm reception which he and other distinguished American personalities gave to His Majesty's speech thus enlightening the public opinion of the United States on the significance of this grave statement."

KIRK

868.01/3334

The Department of State to the British Embassy

MEMORANDUM

The Department's memorandum of July 2, 1943, regarding British and United States policy towards Greece may now be supplemented by the following remarks:

The Government of the United States has welcomed the declarations of the King of Greece regarding the aims and intentions of himself and of the Greek Government, contained in His Majesty's radio address to the Greek people on July 4, 1943. The Secretary of State, in reply to a question from the press on July 5, 1943, made the following statement in this regard:

"I welcome these declarations of His Majesty the King of the Hellenes. They constitute a reaffirmation of the devotion of the

²⁷ See *supra*.

²⁸ Joseph F. Guffey and Claude Pepper. Senators from Pennsylvania and Florida, respectively.

Greek Government to the ideals of democracy and a reassurance to the Greek people that they shall enjoy the full exercise of the sovereign rights of which they have proven themselves so worthy by their heroic resistance to Axis aggression."

This Government has likewise noted with pleasure the statement on this subject made by the British Foreign Secretary in the House of Commons on July 7, 1943,²⁹ which, it assumes, may be regarded as amplifying the summary of the British Government's policy toward Greece contained in the British Embassy's *aide-mémoire* of April 24, 1943.

WASHINGTON, July 17, 1943.

868.01/397

The British Embassy to the Department of State

AIDE-MÉMOIRE

The memorandum expressing the United States Government's view on the policy to be adopted towards the King of the Hellenes and the Government of Greece presented by the State Department and dated July 2nd, 1943, has been read with great interest by His Majesty's Government. While it is observed with pleasure that the United States Government and His Majesty's Government are in substantial agreement, it is felt that the divergence of view regarding the degree of support which should be given to the King of the Hellenes may lead to difficulties in the future. His Majesty's Government therefore wish to explain in the following paragraphs the basis of their policy, in the hope that the present divergence of view may be resolved.

His Majesty's Government consider that a slight distinction should be made between the position of the King and that of his government. Our support for the King is founded on three main considerations:—

(a) He is our Ally, and as such is, in our view, entitled to our full support. He stood by us with the utmost loyalty during the campaign in Greece, and since then has done nothing to suggest that our confidence in him is misplaced.

(b) He remains the constitutional Head of the Greek State, and it is not in our power to alter this even if we wished to do so. The Greek people are the only authority which can deprive him of this position, but it is clearly impossible for them to pronounce on this question until Greece has been liberated and order restored.

(c) Both from the juridical and from the practical point of view, it is important that the continuity of the Greek Government should be maintained. In the last resort this depends on the King, since no government could be in existence without him. If there is to be a change in the form of regime under which Greece is governed, this can properly take place only when the King has returned to Greece

²⁹ *Parliamentary Debates*, House of Commons, 5th series, vol. 390, col. 2104.

and has summoned a government which can hold elections for a constituent assembly or a plebiscite, by means of which the Greek people can make their views known.

Our support for the Government is founded on similar considerations, but in addition there are the great practical advantages which derive from having a strong and representative Greek Government. In the general conduct of the war in so far as it affects Greece, and particularly in the preparations for liberating the country there must be a properly constituted Greek authority with whom we can deal. It is of the greatest importance that we should be able to make arrangements and agreements with them, which will be accepted by the Greek people as a whole and by any succeeding government. There is the further consideration that in the later stages of the war we may wish to use Greece as a base for operations, and we shall then need a strong administration in the country. It is therefore very much in our interest to assist the Greek Government to gain the confidence and support of the Greek people.

On the other hand, we should be the first to recognise that our support alone is not enough to ensure that the return of the government will be accepted by the people, and we have always regarded it as a matter of the first importance that the government should be made as representative as possible of opinion in Greece. The Greek Government have themselves recognised that this is not easy, and they have therefore given assurances that as soon as they return to Greece they will resign in order that a fully representative administration may be formed. Meanwhile they are endeavouring to obtain wider support in Greece and since their arrival in Cairo, negotiations between M. Tsouderos and the political leaders in Greece have been in progress. Although no responsible politicians have yet agreed to come out of Greece to join the Government, the gap between the two points of view appears to have been substantially reduced, and there are reasonable prospects that it will shortly be possible to broaden the basis of the Government by the inclusion of new elements from Greece.

Thus far, I believe, we are on common ground with the United States Government. But the test of any policy will come when an Allied invasion of Greece takes place, and it is at this point that the divergence between the British and American points of view begins to become apparent. The United States Government will no doubt have learnt from their representative on the Allied Territories (Balkans) Committee in Cairo of the plans which are being made for this event. We have found it necessary to formulate certain general principles in regard to the liberation of all the occupied countries, of which the chief one is that there should be a period during which the authority of the Commander-in-Chief of the invading forces must be supreme in civil as well as military matters. It is,

however, our desire and intention that, as soon as military considerations permit, the return of the Allied Government should be facilitated. In our view, any Allied Government, which we recognise as the legitimate government of the country, has a right to expect that it will be allowed to return there and resume authority at least over such parts of the country as are not still theatres of war as soon as it is physically possible for it to do so. For purely military reasons it may be essential for the resumption of governmental authority to be deferred until the operational phase is over, but it would be extremely difficult to justify postponement on any other grounds, and we should require to have the strongest and most evident proof that the present government would be unacceptable to the people if we were to insist on their remaining outside their country once the military situation would permit of their return. We do not wish to impose any government on an unwilling people, and if we allow an exiled government to return, this does not mean that we should be prepared to maintain them in power. We anticipate that in most cases it will be impossible to ascertain the sentiments of the people with any accuracy until some time after the exiled government has got back, but if it then becomes clear that the majority of the people are opposed to them, we should expect them to surrender power to more representative leaders.

We are contemplating applying these principles in the case of Greece. This means that, if, as is suggested by the State Department, Crete were to be the first part of Greece to be liberated, the Greek Government would not return there during the operational phase, when the administration would be in the hands of the Allied Commander-in-Chief. This arrangement can be defended as a military necessity, but we do not feel that the Greek Government would be prepared to suspend the exercise of their authority on any other grounds.

The position of the King differs from that of his government, and the State Department will probably be aware that a decision has been taken to allow him to return to Greece with the invading Allied army. He will be acting in his capacity of Commander-in-Chief of the Greek Armed Forces, and his presence in Greece will in no way derogate from the authority of the Allied Commander-in-Chief, to whom the King will specifically entrust the management of civil as well as military affairs. He will not be accompanied by any member of the Greek Government.

One of the reasons which led us to take this decision was that a request from an Allied sovereign to be allowed to return to his country at the earliest opportunity cannot be lightly rejected, and the military considerations which may make it essential to postpone the return of the Allied Government do not necessarily apply in the case of the

sovereign, provided that he does not insist on exercising his powers of government. Secondly, it was clear that if we disregarded the King's wishes in this matter, we should stand to forfeit his cooperation, on which we must count in the planning of operations for the reconquest of Greece. Thirdly it appeared to us, after mature reflection, that the King's return at this stage and his presence in Greece during the operational phase would simplify rather than complicate the problems which will face both ourselves and the Greek nation.

To forecast the effect of the King's return, it is necessary to consider the present state of feeling in Greece and to make some estimate of what the situation may be at the moment of an Allied invasion. Information is necessarily incomplete, but it seems fairly certain that the number of convinced Royalists in Greece is at present small. The representatives of the old political parties in Athens are for the most part Republican, though they have professed their willingness to accept the King if his return were sanctioned by a plebiscite; in any case, they appear to have lost much of their influence in the country. The most powerful organizations in Greece—and the most vocal—are the E. A. M.³⁰ and E. D. E. S.,³¹ which have armed bands of guerillas at their command. Both are Left Wing and the leaders of the E. A. M. are avowed Communists. Colonel Zervas, the leader of the E. D. E. S., holds less extreme views, and has even stated that he would be willing to accept the return of the King, if His Majesty's Government advised this as being in the best interests of Greece. We do not consider that either of these organisations, and still less any of the political leaders, can claim to speak in the name of the whole Greek people. There is no convincing evidence to indicate that the majority of the Greek people are, or are likely to become, Communist. It would indeed be reasonable to suppose that the majority are more concerned with the immediate problems of daily existence than with political questions, and that they hold no very clearcut political views. They would probably accept any democratic regime which offered them relief from their present distress and a prospect of stable government.

The resistance organisations, including the E. A. M. have recently agreed to cooperate with General Headquarters, Middle East, and with one another in the prosecution of the war, but there is no reason to believe that this agreement will continue to be respected once the Axis forces have been expelled from Greece. In the opinion of the British officers now in Greece, both the E. A. M. and E. D. E. S. are mainly concerned to establish a dominant position for themselves, so that they can seize power at the appropriate moment. There is therefore a serious danger of civil war breaking out in Greece between the guerilla organisations as soon as Axis control is removed, and

³⁰ *Ethnikon Apeleftherotikon Metopon*, National Liberation Front.

³¹ *Ellenikos Demokratikos Ethnikos Syndesmos*, Greek Democratic National League.

this danger is, in our view, greater than the risk of disturbances which might be caused by the King's return. It is our hope that the presence of the King with the victorious army of liberation will increase his prestige in Greece, and it is possible that a considerable section of the people will look to him to resolve party quarrels or to prevent the establishment of tyrannical rule by any one individual or group. During the initial period of Allied administration, the King will have an opportunity of studying the situation in the country, and he should thus be able to select a representative provisional government which could remain in power until fresh elections can be held.

Finally, we must take account of the fact that, owing to the long and profound tradition of friendship for England, the Greek people look to His Majesty's Government for guidance, and we cannot therefore adopt the non-committal attitude suggested by the United States Government. We are convinced that the King of the Hellenes and the present government, with all its faults, are in the best position to rally all the forces of Greece against the enemy, and that there is no alternative body which could undertake this task. The Greek Government have as stated above given an assurance that once the country has been liberated, they will resign to make way for a fully representative administration. In his broadcast to the Greek people on the 4th July, the King repeated this assurance and gave the most explicit undertaking that he will respect the will of the people on all constitutional issues as soon as they are in a position to express it. In our view, the programme put forward in the King's broadcast offers the best chances of assuring stability and democratic rule in Greece, and we have had no hesitation in endorsing it. If the King and his government are to be able to carry out their declared intentions, they must be able to rely on our support, and we consider that the interests both of ourselves and of Greece justify us in giving them this support in the fullest measure at our command.

WASHINGTON, August 4, 1943.

868.01/375: Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, August 17, 1943—8 p. m.

[Received August 19—11:14 a. m.]

Greek Series 40. My Greek Series 35, August 13, 5 p. m.³² The arrival in Cairo of the six representatives of resistance groups in Greece has precipitated a crisis which has seriously disturbed the Government during the past days.

³² Not printed.

These representatives four of whom are members of EAM and two emissaries of Greek guerrilla leaders declared that the situation in Greece demanded the agreement of the King to postpone his return to Greece pending the expression of the public will in that regard and to assume in the meanwhile the role of chief representative of Greece in relation to foreign governments. Both the King and Tsouderos were dismayed at this development as on the one hand they were loath to meet such demands which affected not only the position of the King but also might entail consequences in so far as the other United Nations were concerned and on the other they foresaw that a refusal might adversely affect the actions of resistance bands in Greece as well as precipitate a ministerial crisis in the Greek Government probably resulting in the resignation of the Vice Premier and three principal Ministers.

Both the British Ambassador and I have counselled the King and Tsouderos to make every effort to convince the above mentioned representatives as well as the Ministers that this was not the moment to raise such an issue as it was not immediate and that such agitation would only serve to detract from the effort of Greece to aid the United Nations in the fight against the aggressors and for the liberation of Greece. Yesterday there was an indication that these efforts were being made but the question that the King may send a message on the matter to the President and Churchill ³³ is being seriously considered and may be decided at any moment in the event that it appears impossible to achieve a postponement of this issue at least until a more comprehensive census of opinion in Greece may be obtained.

KIRK

868.01/373 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, August 18, 1943—11 a. m.

[Received 3:35 p. m.]

Greek Series 42. My Greek Series 40, August 17, 8 p. m. For the Secretary and Under Secretary. In my immediately following Greek Series telegram there is transmitted the text of a personal message addressed to the President by the King of the Hellenes which the Prime Minister has just brought to me with the request that it had [be?] laid before the President at the earliest possible moment. Tsouderos said that the King is faced with an immediate Cabinet crisis as outlined in my telegram under reference and does not wish to make

³³ The President and the Prime Minister were in Quebec for the "Quadrant" Conference. The records of the First Quebec Conference are scheduled for publication in a subsequent volume of *Foreign Relations*.

a final decision in the matter with which he finds himself faced until he has received the President's advice.

I am informed that a similar message from the King is being sent to Churchill through the British Ambassador to Greece.

KIRK

868.01/374 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, August 18, 1943—noon.

[Received 3 : 55 p. m.]

Greek Series 43. For the Secretary and Under Secretary.

"1. On July 4 I declared to my people that after their liberation they will be invited to determine by means of free elections the form of their government.

2. I am now suddenly faced by the most curious situation, of the unexpected arrival of certain individuals from Greece, who are supposed to represent various guerrilla bands. In addition a representative of certain old political parties, who wish to press me to declare that I should only return after a plebiscite which would decide on form of the future regime.

3. This request raises a new issue on which I feel you should be consulted before any decision is made. I am adverse to taking a final decision. For in my opinion what is now proposed although primarily a Greek matter, may have repercussions outside Greece, which might well create precedence or affect political developments in other countries and specially in the Balkans. This apparently local issue may assume a wider character. In these circumstance I would much appreciate your advice as to policy, which would at this time best serve the cause of Greece and the United Nations.

4. My present personal inclination is to continue the policy agreed with Prime Minister Churchill before I left England. I feel very strongly that I should return to Greece with my troops, even if I left my country after a short period, to work its national interests among our Allies, should subsequent developments make it politic for me to do so."

KIRK

868.01/377 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, August 19, 1943—4 p. m.

[Received August 21—10 : 17 a. m.]

Greek Series 44. For the Secretary and Under Secretary. My Greek Series 42, August 18, 11 a. m. I understand that a copy of the message contained in my Greek Series 43, August 18, noon, was for-

warded yesterday evening to Field Marshal Smuts³⁴ who is closely interested in Greek affairs in general and in the members of the royal family.

It is impossible to determine a clear cut issue among the factors involved in the present crisis. You have the domestic political complications inherited from the past and the natural tendency of the Greeks everywhere to indulge in political agitation as a pursuit in itself without regard necessarily for the ultimate good of the country either from the domestic or from the foreign stand point. You have this basic condition further aggravated by the ruthless occupation of the country by the enemy with the consequent physical and moral deterioration of the people and by the unnatural conditions surrounding an exiled government which in this instance intensifies the discussion in the members of the Government and armed forces as well as among the Greek civilians living abroad. And above all you have the prestige gained by the Greek nation as champion of resistance against the Axis and the consequent special importance ascribed to the conduct and acts of the present Greek Government in the relations of Greece to the United Nations.

As regards the immediate situation with which the King is now confronted it was precipitated by the arrival here, furthered apparently by British agents, of persons claiming to represent the resistance groups in Greece although there is a divergence in view of the exact extent and number. The King is apparently immediately faced with the necessity of accepting this informal partisan ultimatum which would commit him to a limitation of his freedom of action or risking by rejection thereof further dissension in his Government and armed forces outside the country as well as a disruption among the resistance leaders and bands within the country in their present and eventual fight against the enemy. It must be admitted that heretofore the main direct guidance in Greek policy insofar as the King and his Government are concerned, as well as its implementation within the occupied territory, has been in the hands of the British and the criticism has been made that this direction has not always been unified and that the King and his Government have not been always given the facilities and opportunities which they have felt essential to their constructive participation in their own affairs. As a matter of fact, however, the President has now been requested to give his counsel in a set of circumstances which irrespective of the factors in their development actually exist and must be dealt with. It is fully recognized that this is not the movement [*moment*] when in the scheme of greater considerations a matter such as the present one should have to claim the attention of our leaders or should be publicly aired

³⁴ Jan Christian Smuts, Prime Minister of the Union of South Africa and Commander of Union Defense Forces.

although as regards the latter point there is reason to believe that whatever course the King takes it will be declared in a manner to attract the minimum of public attention. Personally I feel strongly that the main aim for the moment should be to postpone the necessity of making any such decision at this time in order to gain time so that if and when final settlement must be reached it may be at a time and under conditions devoid of the pressure now being exercised. I submit, therefore, that in the event that the President and Churchill choose to advise the King this observation might probably be included.

KIRK

868.01/378 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, August 20, 1943—8 p. m.

[Received August 21—8:10 p. m.]

Greek Series 45. My Greek Series 44, August 19, 4 p. m. Exindaris,³⁵ the four representatives of EAM the representatives of the guerrilla bands EKKA³⁶ and EDES and Kanellopoulos have signed declaration to Prime Minister Tsouderos dated August 17th, declaring that in the interests of national unity which alone can secure the success of national struggle and the normal development of the political life of the country, it is necessary that authoritative statement be made that King will not return to Greece until people have expressed will as regards form of regime.

Signatories add that as representatives of greatest portion of Greek public opinion they have believed it advisable to convey to the Prime Minister and through him to the members of the Council of Ministers their complete agreement in this matter.

This document was discussed by the Greek Cabinet yesterday evening and the discussions marked the prevailing opposition attitude on the part of the Vice Premier³⁷ together with the Ministers of War,³⁸ Navy³⁹ and Aviation.⁴⁰ Although the crisis continues the opinion prevails that matters will remain in suspense pending the replies to the King's messages to the President and Churchill which it has been suggested may be subject to a certain delay owing to the present conference at Quebec.

KIRK

³⁵ George Exindaris, former Deputy and Minister of Agriculture in the Greek Government before World War II, accompanied the delegation from occupied Greece as a representative of certain prewar political parties.

³⁶ *Ethnike Kai Koikonike Apeletherosis*, National and Social Liberation.

³⁷ George Roussos.

³⁸ Byron Karapanayiotis.

³⁹ Sophocles Venizelos.

⁴⁰ Rear Adm. Petros Voulgaris.

868.01/379 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, August 22, 1943—10 a. m.
[Received August 23—3:05 a. m.]

Greek Series 47. For the Acting Secretary. Certain aspects of the crisis now confronting the Greek King and Government here, described in my Greek Series 45, 8 p. m. and previous messages, impel me to submit some observations and recommendations in regard to the general question of the conduct of what may be termed the pre-liberation or pre-reoccupation activities largely or partially of a military nature which are carried on by the Allies in the occupied territories of governments in exile.

I do not pretend to offer here a judgment on the special factors of the present Greek crisis and I am not qualified to analyze the system of the British in the conduct of the above mentioned activities. Enough has transpired, however, to justify a question as to whether the British system is properly organized and coordinated or effectively administrated and whether it is always operated in conformity with high British policy as regards its relation with the respective interested governments in exile. The answer to those questions does not lie with us as long as we ourselves are not involved with the British in those activities but once we do engage in such operations on our own or combine therein with the British and I understand we may be about to or have already done so, it is incumbent upon us to avoid if possible the adverse implications which in some instances at least appear to have marred the British effort in this sphere of action and so to act that we may not be confronted with consequences at variance with our declared policy of noninterference in the political life of foreign countries.

From the little I know I understand that the activities to which I refer are in our case the responsibility of the Joint Chiefs of Staff in Washington and at least in this area are under the supervision of the Commander-in-Chief. On that understanding, I make the following recommendations as to the conduct of these operations which should guide us in the case of independent action as should constitute a condition precedent to our association with others in this category of activities.

1. The Commander-in-Chief should exercise the strictest control over the formulation of all plans as well as over the execution thereof.
2. To enable the CinC⁴ to exercise that control effectively he should be acquainted with the basic policy of the United States Government with respect to the country or countries involved.

⁴ Commander in Chief.

3. In order to avoid confusion and obviate unauthorized acts or commitments our CinC should maintain contact with the CinC's of other governments in each area which are directing similar activities in the same occupied territories.

4. Each responsible head of a government in exile should be requested to designate high official of his government who should be consulted by the CinC or his delegate on all matters relating to the operations in the occupied territory of that government which might result in developments or repercussions of a political nature affecting the government itself.

The foregoing is not intended to constitute a comprehensive or rigid chart for this general subject as my information is limited and different areas may require different tactics. I merely take the occasion to emphasize the dangers inherent in this category of operations and to urge that the Department make sure that at least we do not lay ourselves open to the accusation that through defective organization or lack of precaution our independent or associated operations in occupied territories should fail of their purpose or should jeopardize the continuity of exiled governments and our present and future relations with those countries.

KIRK

740.0011 EW/8-2243

*Memorandum of Conversation Held During the First Quebec Conference*⁴²

[Extract]

QUEBEC, 22 August, 1943—5:30 p. m.

[Participants:] The President
 The Prime Minister of Great Britain
 The Secretary of State
 Mr. Eden
 Present also: Mr. Harry Hopkins⁴³
 Sir Alexander Cadogan⁴⁴
 Mr. Dunn⁴⁵
 Mr. Atherton⁴⁶

⁴² The records of the First Quebec Conference are scheduled for publication in a subsequent volume of *Foreign Relations*.

⁴³ Special Assistant to President Roosevelt.

⁴⁴ British Permanent Under Secretary of State for Foreign Affairs.

⁴⁵ James C. Dunn, Adviser on Political Relations.

⁴⁶ Ray Atherton, Minister in Canada.

6. *The King of Greece*

This discussion turned on the subject of the message from the King of Greece recently received by the President and the Prime Minister, in which the King of Greece asked advice from the President and Prime Minister as to the action the King should take, in view of the request of certain Greek elements that His Majesty should not return to Greece until after a plebiscite on the subject of the Monarchy had been held.

At the request of the Prime Minister, Mr. Eden read a report on the present political situation of Greece prepared by the British Foreign Office.

At the further request of the Prime Minister, Mr. Cadogan read a communication on the subject from General Smuts, who advocated, as a matter of fair play, that the King of Greece not be precluded from entering his own country and resuming his former position, subject, perhaps, to later decision by the people of Greece as to the future form of the Greek regime.

There was some discussion then on the general subject of the attitude of the British and U. S. Governments toward the constituted governments of the refugee countries. It was decided, in general, that the two Governments should continue to support the governments and regimes as now recognized by them generally through the period up to the defeat of the enemy.

MR. HULL pointed out that this attitude was in line with the attitude adopted in the statement with respect to administration of liberated areas, decided upon under Subject 2⁴⁷ of the agenda above.

With specific reference to the situation of the Greek King it was agreed between the President and Prime Minister that the British Foreign Office should reply to the King's telegram, supporting his contention that he was prepared to return to Greece as soon as possible and submit the question of the Royal House to plebiscite.

THE PRESIDENT said the United States Government would not take any different position.

THE PRIME MINISTER further stated, on his own initiative, that the British Government would instruct the British agents who were working with the guerrilla elements in Greece to refrain from encouraging those elements to put forward political claims as to the future form of government of Greece at this time.

⁴⁷ i. e., Liberated Areas.

868.01/381 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, August 31, 1943—9 a.m.

[Received 8:17 p. m.]

Greek Series 52. My Greek Series 42, August 18, 11 a. m. I assume that the Department is aware of the fact that Churchill's reply to the King was received here via London on August 26.

KIRK

868.01/390

Memorandum by the Assistant Secretary of State (Berle) to the Secretary of State

[WASHINGTON,] August 31, 1943.

You will recall that a group of representatives of the political parties remaining in Greece have reached Cairo and have requested that the King agree not to return to Greece until the Greek people have had a chance to determine the regime under which they wish to form a government. The British apparently feel that the King should return to Greece immediately on liberation; to the extent that we assume responsibility there, we feel otherwise, believing that it might create both a political and a military problem. Should the King accept the advice which these representatives from Greece have given him, the question will of course be closed. The Greek Ambassador has informed us that the Tsouderos government has accepted this advice, and has made representations to the King in that sense.

It is evident that the Greek language press in the United States in the main favors the non-return of the King. A large majority of Americans of Greek ancestry are violently anti-monarchist and Venizelist. The *Greek National Herald*, in Chicago [*New York*], which has the largest circulation of any Greek paper, is campaigning in that sense; and they may very well make a political issue of it in the elections in the United States.

It seems to me, accordingly, that we would wish to be very cautious about committing ourselves to the line which the British apparently wish to follow. You may wish to consider this a little further with the President and Mr. Churchill during this coming visit.

A[DOLF] A. B[ERLE], JR.

868.01/404

*The Secretary of State to President Roosevelt*⁴⁸

WASHINGTON, September 1, 1943.

MY DEAR MR. PRESIDENT: It appears that a direct reply should be made to the message recently addressed to you by King George II of Greece,⁴⁹ since the British reply spoke for Mr. Churchill and the British Government only.

There is attached for your consideration a suggested reply⁵⁰ which conforms to the decisions taken in this matter at Quebec while avoiding the advanced position the British have taken pledging the maximum support in their power to the King, whatever his decision—an assurance which I do not believe we should give.

Copies of the King's appeal and of the British reply are attached for convenient reference.⁵¹

Faithfully yours,

CORDELL HULL

868.01/383 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, September 4, 1943—5 p. m.

[Received September 4—3:47 p. m.]

Greek Series 57. My Greek Series 52, August 31, 9 a. m. Prime Minister has advised me that when Churchill's two messages to the King were presented to the Greek Cabinet yesterday afternoon Republican members reacted heatedly bandying threats of resignation but that while one or two resignations may materialize in his opinion it is likely that a solution will be found and calm restored within a few days.

According to a member of the Foreign Office, the realization of the effect which would be caused in British circles and inside Greece by their resigning on account of a statement by Churchill is acting as a deterrent to the opposition members carrying out their threat.

Prime Minister also remarked that the delay in the receipt of the President's reply is occasioning talk in Republican quarters of a divergence between British and American views.

KIRK

⁴⁸ Notation on the original: "CH OK FDR".

⁴⁹ See telegram Greek Series No. 43, August 18, noon, from the Ambassador to the Greek Government in Exile, p. 143.

⁵⁰ The draft is identical with the reply sent on September 6, p. 151.

⁵¹ British reply not printed.

868.01/374 : Telegram

The Secretary of State to the Ambassador to the Greek Government in Exile (Kirk), at Cairo

WASHINGTON, September 6, 1943—6 p. m.

Greek Series no. 26. Your Greek Series no. 43, August 18, noon. Please communicate the following reply from the President to the King of Greece.

"I hope that in the interest of our common war effort all Greeks will accept the program announced in Your Majesty's radio address of July 4⁵² as a guarantee that they will have full opportunity freely to express their political will at the earliest practicable moment and that they will meanwhile subordinate other considerations to the urgent necessity of winning the war and liberating their homeland."^{52a}

Please inform the King orally that the President would find it difficult to advise him as regards the reply to be made to the Greek emissaries now in Cairo, about whom he has little information. However, he doubts that any further statement by the King at this time would promote the war effort.

Should any of the representatives of the guerrilla or political groups seek your views you may advise them in the sense of the foregoing, though you should of course not quote the President.

HULL

868.01/385 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, September 7, 1943—8 p. m.

[Received September 8—1:40 p. m.]

Greek Series 58. Department's instruction number 26, Greek Series September 6, 6 p. m. was complied with today.

Prime Minister states that as in case of Churchill's messages (see my Greek Series number 52, August 31, 9 a. m.) the President's message will be presented to Greek Cabinet and will be communicated to Greek emissaries now in Cairo and that he has asked British Ambassador to obtain Churchill's permission to give publicity to his messages. Tsouderos asked me to request same permission as regards the President's message.

I submit, as an entirely personal observation, that, whereas it is understandable that Greek Government should wish to avail itself of value of the President's and Churchill's messages in so far as the effect

⁵² For summary of speech, see telegram Greek Series No. 11, July 3, 7 p. m., from the Ambassador to the Greek Government in Exile, p. 135.

^{52a} Telegram Greek Series No. 61, September 9, 5 p. m., from Cairo (not printed) transmitted a reply from King George II expressing gratitude for this message.

they would have on population within Greece and Greek Armed Forces outside the country is concerned in view of way in which present emergency has arisen, the wisdom of giving publicity to the messages through publication in the press might well be questioned. I assume, however, that if permission is given to give publicity to the President's message, decision as to the nature and extent of publicity will rest with Greek Government.

KIRK

868.01/389 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, September 10, 1943—7 p. m.

[Received September 12—3 a. m.]

Greek Series 63. My 57, September 4, 5 p. m. The Greek Prime Minister informs me that the crisis precipitated by the arrival of the six so called representatives from Greece is less acute. The messages from the President and Churchill have produced a calming effect on the Greek Cabinet and recent military developments have overshadowed the internal fracas. The plan now seems to be for the King, who is leaving for Syria shortly to recuperate from a recent illness, to preside at a Cabinet meeting upon his return in about 3 weeks when this and other matters will be discussed.

KIRK

868.01/333½

The Department of State to the British Embassy

MEMORANDUM

The British Embassy's memorandum of August 4, 1943 has received careful consideration, in the light of the further statement regarding British policy toward Greece presented to the Quebec conference on August 22, 1943,⁵³ and of the discussions of this matter which took place at Quebec.

Under date of September 6, the President addressed the following reply to the recent message of King George II:

"I hope that in the interest of our common war effort all Greeks will accept the program announced in Your Majesty's radio address of July 4 as a guarantee that they will have full opportunity freely to express their political will at the earliest practicable moment and that they will meanwhile subordinate other considerations to the urgent necessity of winning the war and liberating their homeland."

⁵³ See minutes of a meeting held during the First Quebec Conference, August 22, p. 147.

Ambassador Kirk was authorized to inform the King orally that while the President would find it difficult to advise the King as regards the reply to be made to the Greek emissaries in Cairo, about whom he had little information, he doubted the desirability of any further statement by His Majesty at this time.

As the Embassy knows from the Department's *Aide-Mémoires* of July 2 and 17, 1943, this Government has considered that it would not interpose objection to the return of the King and Government to Greece as soon as the military situation should permit, in accordance with the assurances and procedure which they have from time to time announced, notably in the King's radio address of July 4, 1943, unless it should become clear during the military operations that such return would be overwhelmingly contrary to the wishes of the people and could only result in civil warfare.

With specific reference to the situation of the Greek King, it is the Department's understanding that the President discussed the matter with the Prime Minister and understood that the British Foreign Office would reply to the King's telegram, in the sense that the British Government would support the King's contention that he was prepared to return to Greece as soon as possible and would submit the question of the Royal House to plebiscite.

As regards the general principles applying to liberated countries, this Government is in substantial agreement with the statement of such principles set forth in the fifth paragraph of the Embassy's *Aide-Mémoire* of August 4, which are reflected in the proposed statement on this subject approved at Quebec.

In this connection, the British Embassy's attention may be called to the reference in its *Aide-Mémoire* regarding the United States "representative on the Allied Territories (Balkans) Committee in Cairo", from which it would appear that the Foreign Office was not aware that the only American connected with this Committee was in fact an "observer" from General Brereton's⁶⁴ staff whose functions were limited to military supply matters. This and related questions were discussed at Quebec between the British Foreign Secretary and the Secretary of State, who agreed generally as to the necessity of establishing some definite machinery for discussing and reaching agreement on political and economic aspects of future military operations on the Continent. Consequently, in view of the obviously urgent need for a more direct method of consultation as regards Southeastern Europe, the Department of State, with the approval of the President, has instructed Ambassador Winant to propose to the British Government that United

⁶⁴ Maj. Gen. Lewis H. Brereton, Commanding General, U. S. Army Forces in the Middle East.

States political and economic representatives be appointed to participate in the work of the AT (B)⁵⁵ Committee in Cairo.

WASHINGTON, October 8, 1943.

740.0011 European War 1939/31529 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, October 13, 1943—6 p. m.

[Received October 13—2: 15 p. m.]

Greek Series 80. Reports have been received that within last 4 or 5 days active fighting between ELAS⁵⁶ guerrilla bands belonging to EAM organization on one side, and Zervas, Psarros, and smaller bands on other has broken out and spread widely through country. It is implied that expecting early withdrawal of Germans from Greece each side wishes to establish exclusive control before liberation. Furthermore, it is said that Germans are making no effort to interfere in situation and that for past 2 or 3 weeks they have been moving heavy equipment out of Crete and Peloponnese and have been dismantling factories and sending machinery north. These reports have given rise to speculation as to whether Germans may be contemplating withdrawal from Greece in near future and whether German reign of terror in Crete during past fortnight, combined with costly efforts to retake Cos and Leros may be covering such withdrawal.

KIRK

868.00/1291 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, October 27, 1943.

[Received October 27—6: 23 p. m.]

Greek Series 93. My A-18, October 26, 5 p. m.⁵⁷ In statement released yesterday afternoon for publication as background to radio broadcast last week by General Wilson (see my telegram number 90, October 23d⁵⁷), British explain at length origin of formation in Greece of guerrilla bands of Colonel Zervas (EDES) and guerrilla forces (ELAS) directed by EAM, and, stating that most likely interpretation of present conflict between them is that it results from direct German incitement to each, report that EDES is continuing to resist the Germans at same time as it is countering unprovoked

⁵⁵ Administration of Territory (Balkans) Committee.

⁵⁶ *Ethnikos Laikos Apeleftherotikos Stratos*, National Peoples Liberation Army.

⁵⁷ Not printed.

ELAS attack. While Zervas is willing to settle differences statement concludes that he feels initiative for solution should come from ELAS which so far has only responded evasively to General Wilson's appeal repeating unfounded and obviously German inspired allegation that EDES is collaborating with enemy.

KIRK

868.00/1292 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, October 29, 1943.

[Received October 29—8:40 p. m.]

Greek Series 94. Prime Minister Tsouderos in a message broadcast last night from Cairo to Greek people on Third Anniversary of Italian attack after eulogizing the heroic struggle of Greece and summarizing the course of the war to date, continued with a plea for unity emphasizing the importance at the moment when the liberty of Greece is at hand of putting aside internal differences in order not only to achieve freedom more quickly but to hasten the creation of the new Greece. This new Greece he then briefly described as characterized by: (1) satisfaction of national aspirations including a defensible frontier, (2) a genuinely democratic political system, (3) a free press, (4) social security, (5) control of capital for the public benefit, (6) industry adapted to needs of the country with workers sharing in profits, (7) agricultural prosperity, (8) modernized towns and villages healthful and comfortable, (9) Church and schools cooperating to stimulate moral virtues and social solidarity, (10) higher education accessible to all qualified.

KIRK

868.001G291/171 : Telegram

The Ambassador to the Greek Government in Exile (Kirk) to the Secretary of State

CAIRO, November 23, 1943—5 p. m.

[Received 10:20 p. m.]

Greek Series 110. My 77, October 9, 2 p. m.⁵⁸ and previous. Prime Minister informed me yesterday that King has addressed letter to him advising that at proper time he will examine question of his return to Greece and depending on his own appraisal of military and political situation at that happy time, he will make his decision.

⁵⁸ Not printed.

Prime Minister added that Cabinet was at first pleased with this development but that later, apparently believing that moment might be ripe to get further concession (i. e. a clear statement that King would not return to Greece prior to elections) four Republican members of Cabinet had another attack of chronic hysteria and situation is now delicate.

KIRK

868.00/1340

Memorandum Prepared in the Division of Near Eastern Affairs

[WASHINGTON,] December 10, 1943.

FIGHTING BETWEEN GUERRILLA GROUPS IN OCCUPIED GREECE

There have been many fragmentary and often conflicting accounts in the press and from our own offices regarding internecine strife in Greece.

Lieutenant Colonel James G. Basbas, Acting Military Attaché at Cairo has now attempted to assemble the available information into a general picture. His reports may be summarized as follows:

1. Up to March 1943, the British had been furnishing equipment and supplies to the fighting arm of the leftist and strongly anti-monarchist EAM (National Liberation Front).

2. Thereafter, fearing the powerful growth of an organization violently opposed to the King's return, and hence to British policy of support for the King, the British began first to divide their support with, and then deliberately to favor, EDES (National Democratic Greek Army) another organization similar in purpose which was gaining in local popularity because of its anti-communist stand. EDES, too, was anti-King, but being more conservative in character the British felt that EDES would be more tractable on this point.

3. In July 1943, the British liaison mission in Greece succeeded in securing a cooperative pact between EAM and EDES, acceptable to the former though essentially favorable to the latter.

4. This pact was, however, not destined to last long, as a direct clash was precipitated by the Italian surrender. Allegedly at the instigation of British liaison officers, the Italians in Thessaly surrendered to EDES. Since Thessaly was EAM territory, EAM began disarming both the Italians and the EDES members who had taken Italian arms. EDES thereupon asked British aid against EAM. When this was refused because of the relative strengths of EAM and EDES (said to be 35-40 thousand compared to 10-12 thousand), EDES also became anti-British.

5. The EDES-EAM struggle for position, which has been marked by relatively little violence, was intensified after the return of the guerilla emissaries from Cairo, reporting lack of success in securing acceptance of their demand that the King stay outside Greece until a plebiscite had been held. EAM presumably decided thereupon that it could ensure acceptance of its demand only by being in complete and firm control of the country.

6. High-ranking British officials admit the failure of British policy, and realize that attempts to build up EDES at the expense of EAM can only lead to further strife.

Colonel Basbas himself believes that no reconciliation between EDES and EAM is possible until a clear statement is made that the King will not return to Greece before a plebiscite, which statement can be made only when the British change their policy. Even so, he suggests that only an American officer or a real Allied Mission consisting of a group of American (Senior Officer of Mission), British and Greek officers can effect reconciliation.

868.01/416 : Telegram

*The Ambassador to the Greek Government in Exile (MacVeagh)*⁵⁹ to
the Secretary of State

CAIRO, December 12, 1943—10 a. m.

[Received 5:30 p. m.]

Greek Series 128. I am reliably informed that during a long session on December 8 with Mr. Churchill and Mr. Eden the King of Greece steadfastly refused to make a declaration proposed by them to the effect that he will not return to Greece unless and until called for by the Constituent Assembly to the formation of which he agreed in his declaration of July 4.

I saw the President⁶⁰ on December 3 and advised him regarding this proposal and after he had seen the King he desired me not to associate myself with any effort to force him to a course of action against his will. This I have been careful not to do both before and since. I understand that the President told the King that there was no necessity for him to make any declaration whatever unless he so desired.

Now the King has written a letter to his Prime Minister for release today agreeing that when the time comes for him to decide whether or not to return he will make his decision "in agreement with his Government."

This appears to represent a compromise suggested by Mr. Tsouderos and according to Mr. Venizelos with whom I talked this morning will be acceptable to those "Republican" members of the Cabinet who have been pressing for such a declaration as the British. It will probably also appeal to the British as better than nothing.

In this connection the British appear to have been influenced in taking the attitude they did chiefly by a change in military plans

⁵⁹ Ambassador MacVeagh presented his credentials to the Greek Government on December 2.

⁶⁰ President Roosevelt and Prime Minister Churchill were at this time in Cairo; for correspondence relating to this conference, see *Foreign Relations*, the Conferences at Cairo and Tehran, 1943.

regarding operations in Greece and by the anti-British and anti-King propaganda being spread there to the benefit of the Communist leadership. They hoped to kill this propaganda and deprive this leadership of many recruits by making clear now that no possibility exists of the King's being forced on the country. Because of the present and probable future Republican make-up of the Greek Government the solution arrived at may be regarded as amounting to much the same thing in effect as the original proposal.

MACVEAGH

868.01/416 : Telegram

The Secretary of State to the Ambassador to the Greek Government in Exile (MacVeagh), at Cairo

WASHINGTON, December 18, 1943—midnight.

Greek [Series] 63. A complete reversal of British policy toward the Greek King seems indicated in your Greek 128, December 12, 10 a. m. and 130, December 14, 10 a. m.⁶² Please report any obtainable information as to reasons for this change.

HULL

868.01/421 : Telegram

The Ambassador to the Greek Government in Exile (MacVeagh) to the Secretary of State

CAIRO, December 22, 1943—8 p. m.

[Received December 23—7: 10 p. m.]

Greek [Series] 140. I believe that the developments reported in my telegrams number 128 and 130⁶² referred to in the Department's 63, December 18, midnight should be taken not as indicating any reversal or even alteration of British policy toward the Greek King but rather as representing a change in tactical procedure for the fulfillment of established policy, prompted by changes in the military and political situation.

From conversations with the British Ambassador and from confidential documents which he has made available to me, it seems clear that British policy continues to be based on the hope that the King will be restored to his throne as a constitutional monarch by the will of his people. However when Allied strategical plans were so changed recently as to make it seem unlikely that any large military force would occupy Greece upon evacuation by the enemy, it occurred to the British Embassy here, which was advised of the growth of anarchy within the country, that the King's early return with only the

⁶² Latter not printed.

small forces envisaged would be inadvisable. In the circumstances, as I saw them, which appeared to necessitate a certain lapse of time before conditions of tranquillity could be obtained, requisite to the determination of the people's will regarding the regime, it felt that the most hopeful procedure would be to secure some suitable person who had resisted the Axis in Greece and who might be expected to command general respect such as the Archbishop of all Greece⁶³ to be appointed by the King to head a Regency committee to exercise constitutional authority during the immediate post-liberation era, the King remaining abroad. This idea was I am convinced conceived purely with a view to giving the Royal regime the best possible chance of survival though it is true that many employees and agents of the British Government now working on Greek affairs both within and without the country are personally anti-royalist in sentiment.

Furthermore, in view of the fact that the question of the King's return has become within Greece as well as outside increasingly controversial, the British Embassy felt that a public announcement that the King did not intend to return until called for by his people would tend to counteract the activities of political agitators now capitalizing on the absence of such a statement and might likewise influence the guerrillas particularly Zervas but also members of ELAS to seek closer affiliation with the Middle East Command. This suggestion seems also to have been made with the interests of the King's regime in mind.

The Foreign Office appears to have agreed with the British Embassy from the outset as to the probable inadvisability of an immediate return under the new military conditions but to have resisted for some time the plan proposed including the King's declaration feeling that it would constitute too definite a move in the existing circumstances. Mr. Eden is even reported to have rejected the plan at one time and only during his latest visit to Cairo does it seem that the British Embassy was able to persuade him possibly because of the fact that in the interval it had become more likely that Britain's guerrilla protégé Zervas would find it difficult to gain the upper hand over ELAS. The principal argument used with Mr. Eden at this time seems indeed to have been that a declaration by the King would alienate moderate political elements from EAM and ELAS and deprive these last of one of their chief propaganda weapons. In all this the established policy of supporting the King would appear to have been in the mind of the Foreign Office as well as that of the Embassy.

The task then fell to Mr. Eden to persuade Mr. Churchill who saw the King with Mr. Eden in attendance. How deeply Mr. Churchill himself felt the importance of the plan I am not informed but he appears to have counselled the King to accept it. However, in doing

⁶³ Archbishop Damaskinos.

so he is said to have told the King "I am a Royalist" which if the report be true would seem to clinch the matter of the fundamental policy involved.

Finally I would add that I have secured from the British Ambassador a copy of the brief which he prepared and gave to Mr. Eden entitled "Main Talking Points with the King of the Hellenes" and am forwarding it to the Department by airgram.⁶⁴ This brief ties in the proposed tactical plan very closely with British interest in the regime and explicitly mentions "the King's return in the role which we desire for him—that of a constitutional monarch".

MACVEAGH

868.01/426

The British Embassy to the Department of State

AIDE-MÉMOIRE

In view of the Civil War started in Greece by the E. A. M.-E. L. A. S. groups against other organisations in the middle of last October, His Majesty's Government have recently had their policy towards Greece under consideration and have been in consultation with the Royal Hellenic Government in this connection.

2. M. Tsouderos has proposed the following plan, based on King George's letter of November 8th⁶⁵ to M. Tsouderos in which the King stated that at the moment of liberation he would reconsider the date of his return to Greece in the light of political and military conditions then prevailing and would make his decision in agreement with the Royal Hellenic Government:

A) The King and his Government will entrust their representation in Greece to the Archbishop of Athens and to a secret committee composed of reliable persons.

B) Adequate facilities will be provided by the Allies to the King and his Government to maintain close contact with the Archbishop at Athens and his committee.

C) All matters concerning guerilla bands and organisations and resistance in general against the enemy in Greece, shall be determined by a joint executive committee of the Greek Government and the British authorities.

D) As soon as communications are established with the Archbishop of Athens, he will without delay enter into negotiations with political parties in Athens and with such national bands as are resisting the enemy and have purely military aims. The object of these negotiations will be to secure the fullest possible co-operation in the common struggle against the enemy. The Greek Government will be prepared to include the representatives of the above organisations in the Government in Cairo.

⁶⁴ A-31, December 23, 6 p. m., not printed.

⁶⁵ Presumably the letter referred to in telegram No. 110, November 23, 5 p. m., from the Ambassador to the Greek Government in Exile, p. 155.

E) At the appropriate moment the Greek Government in consultation with British authorities, will agree to any request made by the national bands for incorporation in the Greek regular forces.

F) The future regime and Government in Greece will be decided by the Greek people at the elections to be carried out in Greece after liberation in accordance with the King's declaration of July 4th.

G) All discussion about the date of the King's return to Greece shall be considered definitely closed once the King's letter to his Prime Minister of November 8th has been published in its revised form.

3. Certain modifications in the above plan recommended by the British Ambassador to the Greek Government in Cairo have been approved by His Majesty's Government and are as follows:

The Greek Government should be invited to address an appeal to Zervas and Sarafis (Commander-in-Chief of E. L. A. S.) to conclude an armistice on the following lines:—

A. Zervas will confine his bands to a specified area in the Epirus and E. L. A. S. will withdraw from this area.

B. E. L. A. S. bands in this area will have safe conduct to withdraw and E. D. E. S. bands similar safe conduct to withdraw from E. L. A. S. area.

C. When the withdrawals have been completed the Greek Government shall offer to incorporate in the Greek regular army any bands prepared to resist the enemy under the direct operational instructions of the Allied Commander-in-Chief. The Greek Government will then request the latter to renew supplies of arms for this purpose.

4. Before the Greek Government address this appeal (which should be done publicly) they should first put their proposals to His Majesty's Government, the United States Government and the Soviet Government and seek their approval together with authority to quote this approval in the appeal made to both sides.

5. It is suggested that these modifications are advantageous insofar as:

A. They bring in the three Allied Governments and thus make it practically impossible for E. L. A. S. to refuse. If E. L. A. S. do refuse, the help given to Zervas will be justified to the full, whilst the authority of the E. L. A. S. leaders will at the same time be undermined;

B. The authority of the Greek Government will be enormously strengthened in Egypt and in Greece;

C. His Majesty's Government will avoid any direct responsibility of taking sides in Greek international [*internal?*] affairs;

D. The chances of a renewal of resistance to the enemy will be quickened.

6. His Majesty's Ambassador to the Greek Government in Cairo has reported that the publication of the King's letter and the attention given Greek affairs by leading British and American personalities during the Cairo Conference has greatly enhanced the prestige of the

Greek Government. The moment is therefore suitable for adding still further to their prestige by the steps suggested above and there is reason to hope that a policy based on their increased authority both in Greece and abroad would have good prospects of success.

7. It will take some little time to obtain the approval of the Greek Government's appeal. During this period it will be His Majesty's Government's object to keep the guerilla movement in existence, but at the same time not to assist E. L. A. S. to attack their rivals. Lest maintenance of the ban on army supplies to the E. L. A. S. bands should have a serious effect on the guerilla movement as a whole, His Majesty's Government are considering the possibility of continuing to furnish the non-E. L. A. S. bands with supplies and arms during the interim and of sending medical and relief stores to the E. L. A. S. bands where these are required. They may also send some arms to the latter in the cases where, in the opinion of the Commander-in-Chief of the Middle East and the other British authorities concerned, these arms would be used against the enemy.

8. These proposals have still to be considered by the Middle East Defense Committee and will also require discussion with the Greek Government. His Majesty's Ambassador to the Greek Government will consider them with his United States colleague as soon as possible, and Lord Halifax⁶⁶ has been instructed to inform the State Department of the position. As soon as agreement has been reached in Cairo the way will be clear for the matter to be raised with the Soviet Government.

WASHINGTON, December 22, 1943.

868.01/423

Memorandum by Mr. Foy D. Kohler of the Division of Near Eastern Affairs

[WASHINGTON,] December 22, 1943.

Mr. Murray informed the British Ambassador orally that the Secretary agreed that Mr. Tsouderos' appeal for unity among the Greek guerillas should be supported and that a message to this effect would be sent promptly to Ambassador MacVeagh at Cairo for delivery to the Greek Premier.

Lord Halifax said he would telegraph Mr. Eden of this Government's concurrence.

Mr. Alling has made a similar oral communication to the Greek Ambassador.⁶⁷

⁶⁶ British Ambassador in the United States.

⁶⁷ Cimon P. Diamantopoulos.

868.00/1321

The Ambassador to the Greek Government in Exile (MacVeagh) to the Secretary of State

CAIRO, December 23, 1943—noon.

[Received 12:29 p. m.]

Greek [Series] 139. Greek Prime Minister Tsouderos in a broadcast Tuesday night ⁶⁸ from Cairo directed toward the guerrilla factions in Greece, pointed out first the disastrous consequences of the civil war in aiding the enemy by weakening the guerrilla forces, and in exposing the civilian population to German reprisals, which drive them into the mountains, where not even the Red Cross can help them, while enemy propaganda blames their sufferings on the guerrillas.

Urging them to remove from their ranks any persons whose motives were personal or suspect, he said that he did not believe that any Greek was collaborating with the enemy, but "I am not now alluding to the pseudo government of Athens and I make an exception in their case. And the exception is still more explicit if it be true that they have armed Greeks whom, under the name of 'security units' they have sent with Germans against those of our guerrillas whom they call anarchists".

After a reference to General Wilson and the statement that "only those who unite will be considered as part of the Army of the Middle East", he assured the guerrillas that in this appeal he had the full support of the Allies, "who will regard with particular sympathy those who will undertake the initiative in reconciliation."

Stating that all preparations for liberation were being made, he said, "You know that the King has already given the example of unity by his declaration of the 4th July and subsequently by his letter of 8th November." He concludes with this final plea: "Unite against the common enemy or return to your peaceful occupations, because if you continue this fratricidal strife you are only serving the enemy's cause. Let everyone's watchword be that the unity of all Greeks is the nation's strength."

MACVEAGH

868.00/1322a : Telegram

The Secretary of State to the Ambassador to the Greek Government in Exile (MacVeagh), at Cairo

WASHINGTON, December 23, 1943—9 p. m.

Greek [Series] 66. The British and Greek Ambassadors have both requested the public support of this Government to the Greek Pre-

⁶⁸ December 21.

mier's radio appeal of December 21 for Greek unity. I understand that a similar request has been made of the Soviet Government.

You are authorized to deliver to the Prime Minister for use as he desires the message contained in the Department's next following telegram.⁶⁹

HULL

868.00/1322b: Telegram

The Secretary of State to the Ambassador to the Greek Government in Exile (MacVeagh), at Cairo

WASHINGTON, December 23, 1943—10 p. m.

Greek [Series] 67. For M. Tsouderos.

"I have read with approval Your Excellency's radio address of December 21, appealing for Greek unity.

Reports of fratricidal strife within Greece have shocked the American Government and people to whom the heroic and united resistance of the Greek people against Axis aggression and occupation has been a constant inspiration.

We earnestly hope that the Greek resistance groups will no longer dissipate their strength in internal quarrels but will promptly unite among themselves and with us in the struggle against our common enemy. Such united collaboration will speed the day of victory and liberation when the Greek people, proud and honored, will again be masters of their own destiny."

HULL

868.01/422: Telegram

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

Moscow, December 26, 1943—4 p. m.

[Received 10 p. m.]

2325. The Greek Ambassador has advised me of the request made by his Government that his Prime Minister in his next broadcast to the Greek people be authorized to state that the three great Allies, the United States, Great Britain and the Soviet Union, approve of his appeal for unity among the resistance movements within Greece.

The Greek Ambassador told me that the British Government had approved and that you had also given your approval. The Soviet Foreign Office has informed the Greek Ambassador, however, that as they had no information as to Greek internal affairs, they did not consider it appropriate for the Soviet Government to become involved in them.

⁶⁹ *Infra.*

The British Minister ⁷⁰ has advised me to the same effect with the addition that on instructions from Mr. Eden he had seen Molotov ⁷¹ to convey Mr. Eden's hope that the Soviet Government would accede to the Greek request and to state that you had given your approval.

I have received no information on this subject from the Department.⁷²

HARRIMAN

868.00/1323 : Telegram

The Ambassador to the Greek Government in Exile (MacVeagh) to the Secretary of State

CAIRO, December 28, 1943—4 p. m.

[Received December 28—8:34 a. m.]

Greek [Series] 148. I have delivered to the Greek Prime Minister the Secretary's message as instructed in Department's No. 66, Greek Series of December 23, 9 p. m., and its immediately following telegram, and in reply Mr. Tsouderos has asked me to convey his warmest thanks to the Secretary for the help given to him and also, as he feels, to the entire Greek people.

I understand from the British Ambassador that an encouraging message has been received from London and that the receipt of a text similar to the Secretary's for use as the Prime Minister desires is shortly expected.

Regarding Russian participation I am informed that Mr. Molotov has refused on the grounds that he knows little about internal Greek affairs, while both the Russian Foreign Office and the Ambassador here have made inquiries of the Greek representatives in Moscow and the Greek Government, which betray some anxiety as to whether there may not be a "Mihailovitch" ⁷³ somewhere in the Greek situation. Mr. Tsouderos tells me that he has explained to the Russian Ambassador that this last is not the case and that Mr. Movikof "seemed satisfied". In addition, Mr. Eden has telegraphed the British Ambassador here that they are "having another go" at Molotov. He is communicating to the latter the message he is sending for the Greek

⁷⁰ John Balfour, Minister Plenipotentiary and Chargé d'Affaires of the British Embassy in Moscow.

⁷¹ Vyacheslav Mikhailovich Molotov, Peoples Commissar for Foreign Affairs of the Soviet Union.

⁷² Telegrams Nos. 66 and 67 to Ambassador MacVeagh, *supra*, were quoted to Ambassador Harriman on December 28 in Department's telegram No. 1469, with the following instruction: "If you deem it advisable you may upon a suitable occasion advise Molotov of my message to Tsouderos. However, I do not believe it advisable to go any further. This refers to your 2325, Dec. 26, 4 p. m."

⁷³ Gen. Dragoljub Mihailovitch, Minister of War in Yugoslavia in the Royal Yugoslav Cabinet and leader of the Chetnik Partisans.

Prime Minister's use and the British Ambassador here is doing the same thing with the Secretary's message, the hope being that the Russian Foreign Minister will perceive the high grounds of mutual United Nations interest on which this effort towards securing internal Greek unity is being made and accordingly lend his support in the spirit of the recent joint conferences.

MACVEAGH

868.00/1331 : Telegram

The Ambassador to the Greek Government in Exile (MacVeagh) to the Secretary of State

CAIRO, December 31, 1943—10 p. m.

[Received January 2, 1944—2:47 p. m.]

Greek [Series] 153. The Greek Prime Minister broadcasting tonight a second appeal (the first was reported in my No. 139, Greek Series, December 22 [23], noon and my despatch No. 14, Greek Series, December 28¹⁴) to the Greek guerrillas to unite will quote in full the Secretary's message transmitted in the Department's Nos. 66 and 67, Greek Series, December 23, 9 p. m. as well as a message of similar import from Mr. Eden. In referring to these messages Mr. Tsouderos will say "I expect that more will follow from other Allied Governments" indicating his hope expressed informally to the Embassy that the Russian Government which has not yet agreed to support the appeal (my No. 148 Greek Series, December 28, 4 p. m.) will eventually do so.

Following two messages the body of the speech will be devoted to the argument that a continuation of the civil war or a successful attempt by either faction to establish itself as the sole authority in the country will inevitably prove a boomerang to the people against them. The full text is being transmitted to the Department by despatch.

MACVEAGH

¹⁴ Letter not printed.

PARTICIPATION BY THE UNITED STATES IN ARRANGING FOR RELIEF SUPPLIES FOR AXIS-OCCUPIED GREECE AND FOR GREEK REFUGEES; ARRANGEMENT FOR FINANCIAL ASSISTANCE⁷⁶

868.51/1668

Memorandum by the Adviser on Political Relations (Murray)⁷⁶

[WASHINGTON,] December 3, 1942.

The so-called "Swedish scheme" for Greek relief involves the use of eight Swedish vessels.⁷⁷ These are nominally chartered by the Swedish Red Cross but the payment obligation, amounting to \$900,000 to \$1,000,000 per month, falls to the Greek Government in exile. That Government appealed to the Greek War Relief Association of New York to relieve it of this burden: The Association undertook to do so, to the maximum extent of its ability, and applied to the President's War Relief Control Board for permission to raise \$12,000,000 from the American public for this purpose. The Board, while granting provisional permission for a campaign for \$6,000,000 for six months, decided, in consultation with the Department, that it was undesirable for a private organization to endeavor to support an undertaking of this magnitude by public subscription. In practice the Association has in fact been able to collect and pay only about \$200,000 per month towards the charter of these ships, and the balance has fallen upon the Greek Government.

The resources and income of the Greek Government are very limited and are rapidly approaching exhaustion. Some time ago they appealed to us for financial assistance, and it is our understanding that the President has decided that some arrangement must be made whereby the Greek Government can be kept going.⁷⁸

Full consideration of the method and extent of the aid to be extended will of course depend upon a study of the detailed account of its financial position which the Greek Government is supplying to us.⁷⁹ However, we know from the preliminary figures which have been submitted

⁷⁶ For previous correspondence, see *Foreign Relations*, 1942, vol. II, pp. 724 ff. and pp. 798 ff.

⁷⁷ Addressed to the Secretary of State, Under Secretary of State Welles, and Assistant Secretaries of State Long, Acheson, and Berle.

⁷⁸ The *History of Lend-Lease*, pt. 2, Section XXI, Greece, prepared by the Office of the Foreign Liquidation Commissioner in the Department of State in 1947, states:

"The Swedish Red Cross originally chartered a fleet of eight Swedish vessels to carry the relief supplies to Greece. . . . Later, an additional vessel was added to the original fleet. This vessel, however, operated only between the Greek mainland and the islands of the Aegean Sea. Still later, five more vessels were added, making a total of fourteen vessels in all." (p. 5).

⁷⁹ See memorandum of July 23, 1942, by Under Secretary of State Welles and footnote 71, *Foreign Relations*, 1942, vol. II, p. 800.

⁸⁰ See report of October 15, 1942, by the Greek Minister of Finance handed to the Chief of the Division of Near Eastern Affairs by the Greek Ambassador shortly before December 10, 1942, and footnote 73, *ibid.*, p. 804.

and from the information given us by the British, that the cost of the relief vessels and of caring for Greek refugees in the Near East are among the principal financial burdens falling on that Government. It also seems desirable to us that our aid to the Greek Government be as much as possible by the method of taking over its financial burdens, rather than by cash advances.

A considerable start could be made in this direction if the Lend-Lease Administration would take over the payment of the charter-moneys on these eight Swedish vessels. This would not only relieve the Greek Government directly of their expenditures on this account, but would permit the Greek War Relief Association to assume the burden now falling on the Greek Government in connection with caring for the 15,000 or more Greek refugees in the Near East, which involves an estimated expenditure of about \$1,250,000 per annum.

This matter has been discussed informally with Dr. John E. Orchard of the Lend-Lease Administration, who has indicated that the Administration is able and willing to take over the payments on this account if the State Department so recommends.

I may add that there is every reason to believe that both the Greek and British Governments would welcome this plan. Its merits as regards the building of good-will toward this country on the part of the Greek people are, I believe, obvious.

If you approve this proposal, we shall be glad to take the necessary steps to put it into effect.⁸⁰

WALLACE MURRAY

868.48/3409: Telegram

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

LONDON, January 13, 1943—4 p. m.

[Received 8:30 p. m.]

319. Reference Embassy's telegram 7291, December 23, 4 p. m.⁸¹ food ships for the Aegean Islands. The Foreign Office informs the Embassy that according to information from the British Minister at Stockholm the Swedish Shipping Committee has offered and the Swedish Red Cross is prepared to charter one of the following ships subject to the conditions stated below:

Steamship *Bothnia*, 805 tons dead weight at 57 shillings 6 pence per dead weight ton per month; motor ship *Wiril* 1125 tons dead weight at 40 shillings per dead weight ton per month; motor ship

⁸⁰ After lengthy consideration in the Department, the proposal was approved by the Secretary of State in an undated memorandum received in the Division of Near Eastern Affairs on February 26, 1943.

⁸¹ *Foreign Relations*, 1942, vol. II, p. 792.

Werna, 1170 tons dead weight at 40 shillings per dead weight ton per month.

The conditions are as follows :

(1) The ship is to be delivered to the charterer at Gothenburg and returned to owners at the same place; (2) The charterers are to provide and pay for bunkers and lubricants; (3) the charterers are to be guaranteed repayment, as for the eight ships already chartered.

The British Minister states that the high charter price is accounted for by the tonnage which is much smaller than in the case of the ships already chartered. He recommends that the vessel to be chartered should be selected and guarantee of repayment given as soon as possible in order that the Swedish Government may arrange for safe conduct. He states that from the point of view of the Commission one of the two ships last mentioned would be preferable.

The Foreign Office is prepared to agree to either the *Wiril* or *Werna* and has no objections to conditions (1) and (3) as stipulated. With respect to condition (2) it states that it is normal for the bunkerer to pay the cost of bunkers and lubricants; the Swedes will of course have to supply the initial bunkers and lubricants but could be allowed an equivalent increase in their quota imports. A point that will have to be taken up with the Swedes is the question of where such supplies are to come from when the ship arrives in Greek waters.

Following the precedent in the case of the eight ships already chartered the procedure is that the Greek representative in Stockholm will invite the Swedish Red Cross to charter the vessel in return for a written agreement by the Greek Government to repay the cost. The Foreign Office has already written the Greek Embassy proposing that this course be followed, subject to the views of the United States Government; it has also advised the Greek Government that the ship owner might be asked to accept the current rate of the Anglo-Swedish shipping terms which work out at a price of 30 shillings and 9 pence.

The Foreign Office desires to know whether the United States Government has any observations to make and whether it agrees to action in concert with the Greek Government as proposed.

MATTHEWS

868.48/3409 : Telegram

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

WASHINGTON, January 22, 1943—2 p. m.

479. Your 319, January 13, 4 p. m. This Government is prepared to agree to this proposal as outlined.

We would have no objection to granting the Swedes an increase in their oil quotas to compensate for the initial bunkers and lubricants

furnished for this vessel within a maximum of 150 tons of diesel oil and 5 tons of lubricants. If other arrangements could not be made, we would also be prepared to permit the export of reasonable quantities of bunkers and lubricants on the relief vessels from Canada for operation of the ship in Greek waters, provided satisfactory assurances were received that the supplies would be strictly controlled by the Relief Commission and used only for the relief ship, and that full reports would be submitted regarding their use.

Repeated to Stockholm.

HULL

868.48/3453 : Telegram

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

LONDON, January 27, 1943—4 p. m.

[Received 5:13 p. m.]

693. Embassy's 319, January 13, 4 p. m. Foreign Office has written to the Embassy regarding the substance of the last sentence of the antepenultimate paragraph of the telegram under reference. Foreign Office has now heard from the British Minister in Stockholm⁸² that the Swedish Government is informing the Axis Governments that it assumes that the latter will provide bunkers at the Piraeus for their [*the?*] vessel while it is in Greek waters. The British Minister added that the alternative would be the periodical transfer of oil from the bunkers of ships arriving from Canada; and the Minister has asked what would be the attitude of the United States and British Governments if the Axis should refuse to provide these bunkers.

Foreign Office has replied to the Minister that it considers that the Axis should provide these bunkers in Greece and that it does not wish to prejudge its attitude in the event of Axis refusal.

Foreign Office has requested our views on the point raised. Please advise.

MATTHEWS

868.48/3453 : Telegram

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

WASHINGTON, February 4, 1943—midnight.

776. Your 693, January 27, 4 p. m. We approve the Swedish Government's approach to the Axis Governments regarding bunkers for the relief vessel in Greek waters, and agree that they should pro-

⁸² V. A. L. Mallet.

vide these bunkers. However, in order to obtain the widest practicable extension of the relief scheme to the islands, in case of Axis refusal, it would seem to be necessary to permit the transfer of oil and lubricants from the ships arriving from Canada under the conditions set forth in the Department's 479, January 13 [22], 4 [2] p. m.

HULL

868.48/3662

*Memorandum by the Chief of the Division of Near Eastern Affairs (Alling)*⁸³

[WASHINGTON,] February 6, 1943.

We have now begun to receive, principally through our Legation at Stockholm, reports regarding the operation of the Greek relief scheme which indicate that the Relief Commission in Greece is tackling an enormous task with reassuring thoroughness and has made rapid progress in building up an effective control organization.

The Commission is composed exclusively of Swedes and Swiss, under the Presidency of Mr. Paul Mohn,* Swedish governmental official, and delegate of the Swedish Red Cross. It has 550 carefully selected employees. Though the Greek members of the old IRCC⁸⁴ organization have been eliminated, an advisory committee of outstanding Greeks is being formed. Four offices have been created, each headed by a member of the Commission :

1. Distribution Service.
2. Documentation and Coordination.
3. Transport Service.
4. Medical and Children's Service.

Mr. Swen Allard, Swedish Chargé at Athens, carries on negotiations with the Axis authorities and works actively with the Commission. The local Greek authorities have been cooperative, and the collaboration of the Agricultural Bank, which has branches throughout the country, has been particularly useful and effective.

For the distribution of bread in the Athens region, the Commission has taken over direct control of the principal mills and of the baking establishments, and has secured the passage of a law permitting it to close up any establishment guilty of abuses. Distribution to mills and bakers is well documented and closely controlled. Distribution to the public had to be on the basis of the existing ration cards, but

⁸³ Addressed to the Advisers on Political Relations (Murray and Dunn) ; the Assistant Secretaries of State (Acheson, Long, and Berle) ; the Under Secretary of State (Welles) ; and the Secretary of State.

*In view of the increasing importance of the Commission, Mr. Mohn has now been replaced by a distinguished Swedish jurist, Judge Emil Sandstrom. [Footnote in the original.]

⁸⁴ International Red Cross Committee.

great efforts are being made to eliminate illegally held cards. The total had been reduced from 1,337,000, as of March 31, 1942, to 1,225,000, as of September 30. It is estimated that 100,000 illegal cards are still in circulation. Daily rations are 60 drammes (about 7 ounces), costing 30 drachmas (nominally about 20 cents, but now negligible in view of the inflation of the currency), with supplementary rations of 40 drammes for certain laborers, notably in public utilities, and 30 drammes for invalids and tuberculosis sufferers.

The Soup Kitchens, which rendered such service to the poor during 1941-42, were a problem because of their invasion by persons of questionable eligibility. In October 1942, 600,000 persons were enrolled in the public soup kitchens, and 300,000 more in private canteens. To eliminate those who could and should prepare and consume their food at home, the Commission undertook to distribute directly to each person 1½ okes of gruel, flour and *pasta* in November and 2 okes in December, giving the individual his choice of taking it in kind, through the grocers, or in meals from the soup kitchens. This was expected to reduce the soup kitchen clientele to about 20 percent of the population (about 300,000?), considered a reasonable figure.

Of the wheat received, 96 percent becomes flour. The 4 percent of bran and millings are traded, respectively, for milk and eggs. This results in a daily supply of 3,000 okes of milk and an unspecified number of eggs for children and hospitals.

The bread ration in the provinces, where some local produce is available, has been set at 40 drammes per person per day. Thorough studies have been made of local needs and resources everywhere. Distribution is accomplished through 1,600 local committees, with the aid of the Agricultural Bank branches, and under control of traveling Greek, Swedish and Swiss inspectors. In October one million persons in the provinces were aided, despite the almost insuperable problem of transportation.

Distribution to the islands has so far been on a very small scale and has been limited to those close to the Greek mainland or to Turkey, but negotiations are now in course to secure a small Swedish motor vessel to operate in Greek waters, which will permit the transport of supplies to the various islands.

Medicines are stored and distributed under control of the Swiss Red Cross mission, about 40 percent going to Athens-Piraeus, 20 percent to Salonika and Macedonia, and 40 percent elsewhere.

Mr. Allard declares that the occupation authorities have made no attempt to appropriate any relief foodstuffs and that he expects no difficulties on this score. While he confirms that Greek native produce has been consumed by the Axis forces in Greece and exported since the occupation, he has been successful in having these exports stopped since September 1, 1942, and in negotiating a plan for the implementation of

the original condition No. 4 of the scheme, which provided for the reservation of native Greek produce for the normal peacetime inhabitants of the country, except in so far as local foodstuffs consumed by the armed forces and officials of the occupying powers or exported as bona fide surpluses with the Commission's consent, be compensated by equivalent imports from Axis sources. We have given our approval to this plan, in close consultation with the British, Governor Lehman's⁸⁵ office and the Board of Economic Warfare and subject to a review of our position after three months experience, and it will shortly be put into operation. It may be briefly described as follows:

(a) Substantial quantities of foodstuffs would be imported from Axis sources, and these imports as well as all the more important foodstuffs locally produced would be allocated according to agreed quotas for distribution to (1) the civilian population; (2) occupation troops; and (3) export. Foodstuffs for the civilian population would be distributed by the Commission in the same way as the relief imports, which would, of course be outside this scheme.

(b) In assuming practical control of the civilian production and consumption in Greece, the Commission proposes to enter into the actual acquisition of hoarded stocks of olive oil, on the basis of the barter of wheat and other foodstuffs for oil, in collaboration with the German and Italian occupation authorities. While a portion of the oil thus collected would be allocated, by agreement, to the occupying troops, the Commission would obtain stocks for distribution under its control to the civilian urban population, which has heretofore received practically no olive oil at all except through the black market and at fantastic prices.

While the Commission's own reports so far received concentrate upon the operation, rather than the results, of the scheme, reports from other sources (principally Istanbul and Cairo) indicate that the food situation in Greece has greatly improved since it came into operation and that the appalling rate of death from starvation, which last year threatened the entire Greek nation with extermination, has been definitely arrested.

PAUL H. ALLING

868.48/3691 : Telegram

The Secretary of State to the Minister in Sweden (Johnson)

WASHINGTON, April 1, 1943—11 p. m.

379. We understand from the British that discussions are in course between the Swedish Government and the International Red Cross Committee regarding the allocation of responsibility for the control of the Greek relief scheme.

⁸⁵ Herbert H. Lehman, Director, Office of Foreign Relief and Rehabilitation Operations of the Department of State.

We are highly appreciative of the activities of the IRCC and are grateful for their work in distributing the *Sicilia* shipment last spring and the relief supplies sent last year from Turkey and Allied sources in the Near East. However, as regards the relatively large scale program now in operation we feel that it is essential, and in the best interests of all concerned, including the IRCC, that the Swedish Government have responsibility for the scheme's operation and that it serve as the channel for communications regarding the scheme.

HULL

868.51/1675

The Secretary of State to President Roosevelt

WASHINGTON, April 26, 1943.

MY DEAR MR. PRESIDENT: You will recall that King George and Prime Minister Tsouderos of Greece, during their visit to this country last June,⁸⁶ stated that the resources of the Greek Government were declining rapidly and appealed for financial assistance.⁸⁷ You indicated that some arrangements should be made whereby the Greek Government could be kept going.

A financial report was eventually received from the Greek Government, and was supplemented by figures obtained from the Treasury and the British Government, with which we discussed this question. It appeared, in brief: That the Greek Government would nearly exhaust its immediate resources early this year and be faced by a prospective deficit of some \$10,000,000 in the fiscal year 1943-44; that the British have been aiding the Greeks by equipping their armed forces in the Middle East and are prepared, in general, to meet Greek needs within the sterling area; and that our problem was thus mainly one of providing aid required by the Greek Government in meeting its dollar expenses.

As you know, there is no legislative authorization for direct credits to the refugee Governments, although the question of possible legislation for this purpose has been under consideration for some time, principally in connection with Polish needs. In any case, however, it seemed preferable to meet the Greek appeal under existing legislation if this were possible, and the matter has been pursued on this line.

By far the heaviest dollar obligation burdening the Greek Government was the payment of the charter-hire on Swedish vessels engaged in the Greek relief scheme, amounting to approximately \$1,000,000 per month. Following discussions between the interested agencies

⁸⁶ For information concerning the visit to the United States of George II, King of the Hellenes, see *Foreign Relations*, 1942, vol. II, p. 797.

⁸⁷ See memorandum of June 15, 1942, by the Greek Prime Minister, *ibid.*, p. 798.

and on the recommendation of this Department,⁸⁸ the Lend-Lease Administration has taken over this expenditure as from January 1, 1943.

I believe that this assistance should adequately meet the need of the Greeks for dollars, at least for the time being. They appear still to have a small dollar balance of Government funds on hand and to have a modest dollar income from a few Greek vessels chartered to the Swiss. Their other expenditures requiring dollars consist principally of expenses connected with the maintenance of their representation in countries outside the sterling block. These can probably be met for an indefinite period from the Greek Government's own resources, possibly supplemented by modest advances from their own Bank of Issue, which holds some \$19,000,000 in dollar balances.

In addition, the Greek War Relief Association of New York is planning, with the approval of the President's War Relief Control Board and of this Department, to undertake a program of assistance to the Greek refugees in the Near East and Africa. This will provide further financial relief for the Greek Government, which has been obliged to support a constantly increasing burden in caring for these persons.

I attach for your consideration and approval⁸⁹ a copy of a note which I propose to send to the Greek Ambassador⁹⁰ regarding this question.

Faithfully yours,

CORDELL HULL

868.51/1675

*The Secretary of State to the Greek Ambassador (Diamantopoulos)*⁹¹

WASHINGTON, May 4, 1943.

MY DEAR MR. AMBASSADOR: I am glad to inform you that the report of the Greek Minister of Finance, which you submitted to the Department last December,⁹² has had the earnest and sympathetic attention of this Government in connection with its consideration of your Government's request for financial assistance.

Discussion of this matter with the British having indicated that they were, generally speaking, prepared to provide the sterling credits which may be needed by your Government, we have endeavored principally to find means of assisting, within the limits of existing legisla-

⁸⁸ Letter of April 14, 1943, from Assistant Secretary of State Long to W. M. Simmons, Assistant Administrator of the Office of Lend-Lease Administration, not printed.

⁸⁹ Marginal notation by President Roosevelt on April 29: "CH OK FDR".

⁹⁰ *Infra*.

⁹¹ Acknowledged by the Greek Ambassador in note No. 949, May 12, with his "thanks for this further evidence of the American Government's sympathetic interest in Greece" (868.51/1678).

⁹² See footnote 79, p. 167.

tive authorization, in meeting your Government's urgent needs in the dollar field. It was evident that the bulk of the dollar expenditure falling upon your Government was payment of the charter-hire for the Swedish vessels engaged in transporting relief shipments to Greece. As you already know, arrangements have been made for these charges to be taken over by the Lend-Lease Administration, for the period beginning January 1, 1943 and continuing until June 30, 1944, unless the Greek relief operation shall have been terminated prior to that date.

In addition, the Greek War Relief Association, Incorporated, of New York, is planning, with the approval of this Department and of other appropriate agencies of this Government, to undertake a program of assistance for the Greek refugees in the Near East and Africa, which should likewise lighten the burden of the increasing charges which the Greek Government is having to meet in this connection.

I hope that these steps will prove adequate to enable your Government to meet its pressing financial needs.

Sincerely yours,

CORDELL HULL

[Copies of the letter of April 26 to President Roosevelt and of the letter of May 4 to the Greek Ambassador were transmitted to the Ambassador in the United Kingdom in instruction No. 2682, May 5, not printed. The Ambassador was "requested to express to the Foreign Office the Department's appreciation of the information transmitted in his telegram under reference and to inform it of the steps which have been taken to assist the Greek Government financially." The telegram under reference was No. 5202, September 17, 6 p. m., *Foreign Relations*, 1942, volume II, page 803.]

868.48/3817c : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, May 7, 1943—10 p. m.

632. During their visit to this country last June the Greek King and Premier stated that the Greek Government's sources were rapidly declining and appealed for financial assistance.⁹³ The President indicated that means should be found to keep the Greek Government going.

In pursuance of these directive arrangements have been made, with the President's approval:

1. For the Lend-Lease Administration to take over from the Greek Government the costs of the Swedish vessels transporting relief supplies to occupied Greece, amounting to approximately \$1,000,000 per month;

⁹³ See *Foreign Relations*, 1942, vol. II, pp. 798 ff.

2. For the Greek War Relief Association to relieve the Greek Government of its burden of expense in connection with the care of Greek refugees in the Near East and Africa.

It is intended that the latter project, which has been warmly welcomed by the Greek Government, should be carried out within the framework of the Middle East Refugee Relief Administration, with appropriate changes in this organization to permit participation of personnel of the Greek War Relief Association in the direction and operation of the Administration's activities insofar as they relate to Greek refugees.

There is transmitted in a following telegram,⁹⁴ for delivery to the Middle East Refugee Relief Administration, a message prepared by the Greek War Relief Association, in consultation with the American Red Cross, formulating certain preliminary inquiries and proposals.

Please discuss this matter with the appropriate British and Greek authorities and assist in every proper way in working out arrangements which will be satisfactory to all interested parties.

HULL

868.48/3824: Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, May 17, 1943—1 p. m.

[Received 3:18 p. m.]

901. Department's 632, May 7, 10 p.m. and my 898, May 15, 6 p.m.⁹⁵ Greek Prime Minister in acknowledging communication advising him of decisions taken with the President's approval regarding financial assistance for the Greek Government, which he describes as "a new token of the sympathy and generous interest which President Roosevelt personally and the American Government and people demonstrate toward Greece" requests me to convey to the Department his "deep appreciation of the spirit in which these decisions aiming at alleviating the financial burdens of the Greek Government have been taken."

Prime Minister also states he is looking forward to discussing arrangements regarding refugees and adds that Greek Minister of Finance⁹⁶ in London has been informed.

KIRK

⁹⁴ No. 633, May 7, 11 p. m., not printed.

⁹⁵ Latter not printed.

⁹⁶ Under Secretary of State for Finance George Mantzavinos.

INDIA

INTEREST OF THE UNITED STATES IN THE SITUATION IN INDIA;¹ MISSION OF WILLIAM PHILLIPS AS PERSONAL REPRESENTATIVE OF THE PRESIDENT

123 P 54/565

*Mr. William Phillips, Personal Representative of President Roosevelt
to India, to the Secretary of State*

LONDON, December 19, 1942.

[Received December 30, 1942.]

DEAR MR. SECRETARY: Now that my final instructions² and the letter from the President to the Viceroy³ have arrived, I am arranging with all speed for my departure. The Pan American have promised me accommodation from Foynes to Lagos on the 23rd, and if all goes well, I may pull into Nigeria on the afternoon of Christmas. Yesterday came the news that an Army plane was to be put at my disposal to transport me from Lagos to Delhi via Cairo, Karachi, etc. And so the great adventure is about to begin.

The appointment seems to have made a favorable impression over here in the press, among members of the Government and Indian experts. All have been most cordial from the Prime Minister⁴ down, although of course there are some of the old diehards who presumably feel otherwise. For instance, a caller this morning who has spent much of his life in India, regarded the Mission as not only highly significant, but as though happy events might automatically follow from it.

This attitude of mind, while of course pleasant, leaves me somewhat overwhelmed, and certainly dubious as to my own capacity to fulfill expectations. As I come into more personal contact with the prob-

¹ For previous correspondence relating to this subject, see *Foreign Relations*, 1942, vol. I, pp. 593 ff.

² The Department's basic instruction to Ambassador Phillips was sent in the Secretary of State's telegram No. 5839, to London, November 20, 1942, *ibid.*, p. 746. In a subsequent instruction, No. 5986, November 27, 1942, dealing principally with personnel and housing problems at the New Delhi Mission, the Secretary of State said in part: "The Department is concerned with the coordination, under the supervision of the Mission, of the work of the various civilian agencies of this Government now operating in India. Consideration has been given to the designation of a senior Foreign Service officer who would, under the chief of mission, supervise and direct, in so far as circumstances warrant, the work of the other agencies. Recommendations on the subject are requested after your arrival in India." (123 P 54/534)

³ The Marquess of Linlithgow.

⁴ Winston S. Churchill.

lems, let us hope there will be some new light. There are two little trial balloons which I passed on to John Winant⁵ and which he is carrying back with him to Washington today. One is a suggestion emanating from Cripps,⁶ another from a highly intelligent Indian, a friend of Nehru,⁷ and I have asked John, if possible, to let me know to Delhi, in a cryptic message, how they are regarded by you and the President.

After arrival in Delhi my first job, as I see it, will be to come into personal touch with the members of the Governor General's Council, in other words with the Government of India. After that, I think it may be good policy for me to visit at least some of the Provinces, notably the Punjab, where constitutional government is actually under way, and then I may find opportunities to visit the leading Hindu and Moslem Universities, and in this way show an interest in education.

As I see it, my job is first to secure, if possible, respect and confidence, not merely among those at the top, but as far down the line as I can go. Probably it would be wise to keep as far removed as possible from political subjects until I have achieved some success in gaining confidence. As one well-informed Englishman told me the other day, once that I had secured this, I would find myself a "center". This in itself, however, creates problems and difficulties, through which I shall have to move warily.

I hope, Mr. Secretary, that you do not expect too much of me. I will do my best, but the more I learn of actual conditions, the more I appreciate the bitter divisions among the Indians themselves. One authority here interprets this increased bitterness as a struggle for party power resulting from the impending Dominion status promised by the British Government after the war. Each party therefore wishes to occupy a dominant position in the constitution-making power, and this is especially noticeable in the attitude of the Moslem League, which is gaining day by day in strength. The same authority admits that while the Indians declare they do not believe the British assurances, actually they do believe them, and are alarmed at the problem which is about to be put up to them, of creating out of so much internal discord a united nation.

I have been learning much during the last few weeks and I think the delay in getting under way has not been lost opportunity. I feel that I have the confidence of the British and their hope that out of my Mission will develop some light; that is at least one side of the picture which is of importance.

⁵ Ambassador in the United Kingdom.

⁶ Sir Stafford Cripps, Minister of Aircraft Production and formerly Lord Privy Seal and Leader of the House of Commons; for correspondence on the Cripps Mission to India in 1942, see *Foreign Relations*, 1942, vol. 1, pp. 619 ff.

⁷ Jawaharlal Nehru, leader of the Indian National Congress Party.

I hope that you will give me all the advice you can in addition to the instructions that have already been sent to me, for I shall indeed need from time to time whatever guidance you and the President feel able to send me.

With best wishes, Mr. Secretary,
Sincerely yours,

WILLIAM PHILLIPS

123 P 54/566

The Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

WASHINGTON, January 1, 1943.

MY DEAR MR. PHILLIPS: I greatly appreciate your letter of December 19, 1942, written in London just prior to your departure. The approach to the Indian problem and the plan of operations which you suggest seem entirely sound to me. We know you will do an excellent job in New Delhi, but we are fully aware that one must not expect the impossible, particularly when the problems are such as those in India today.

I have had a good talk with Ambassador Winant, and will be sending you further word in this regard shortly.

Sincerely yours,

CORDELL HULL

123 P 54/569 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, January 8, 1943.

[Received January 8—3: 59 p. m.]

12. Arrived today, assumed charge.

PHILLIPS

845.00/1785

*Mr. William Phillips, Personal Representative of President Roosevelt in India, to the President*⁸

NEW DELHI, January 22, 1943.

DEAR MR. PRESIDENT: I have never had a more interesting two weeks than those since my arrival. The journey from London was somewhat longer than I had expected on account of the delay at Bristol, but once on board the Clipper everything went on schedule. In Liberia I transferred to an Army transport plane which took me to Cairo, via Accra

⁸ Copy transmitted by Ambassador Phillips to the Secretary of State on January 22; received February 10.

and Khartoum instead of the more direct route to Aden. I did this in order to visit the Indian troops in their desert camp near the Pyramids. I was told that this would be a sympathetic gesture and it was clearly so regarded.

On arrival in Karachi I was met by General Ferris, Deputy Chief of Staff, United States Forces in China, and the Secretary of our Mission, both of whom had flown from Delhi to take me there the following day. Before leaving London the Viceroy had invited me through the Secretary of State for India to spend the first three days with him. I should like to have avoided the visit but was assured that it was a customary procedure for all official visitors to Delhi and so I accepted, and am now glad that I did so.

The presentation of your letter was without ceremony and was delivered during my first private talk with the Viceroy in his library. He was most cordial and friendly and wanted me to feel free to move about the country as I wished and to meet and converse with all shades of opinion. He said that later he would give me his own views on the political situation. He promised not to "propagandize" me and assured me that he wished me to form my own judgment. He is a good example of the Tory type, a huge man physically, very reserved before people, but he warms up in private conversation.

My days are filled with people and I am gradually becoming acquainted with the terrific problems which face this country. The Hindus are united in their distrust and intense dislike of the British but they are not altogether united behind Gandhi.⁹ Since the arrest of the Congress leaders an organization known as the Hindu Mahasabha under the leadership of Mr. V. D. Savarkar has sprung into prominence. Mr. Savarkar is even more uncompromising than the Congress leaders in his demand for a Hindu rule over all minorities including the one hundred million Muslims.

Jinnah¹⁰ and the Muslim League are equally resentful of the presence of the British but because of their fear of the Hindu claims for an all India administration, they would probably prefer to have the English remain unless their own claims to Pakistan were guaranteed. Neither the League nor Congress has any faith in the British promise to free India.

The Indian members of the Viceroy's Council,—the so-called Government of India—condemn both Hindu and Muslim extremes and are doing their best to carry on the government and at the same time to keep their own jobs. They have no popular following because they represent the voice of the Viceroy.

The Princes live aloof and do not attempt to inject themselves into the religious and political controversies. Some of their States, I am

⁹ Mohandas K. Gandhi, leader of the civil disobedience movement in India.

¹⁰ Mahomed Ali Jinnah, President of the Muslim League.

told, have liberal and advanced governments, while others are pitifully backward and have made little or no progress since the Dark Ages.

Then there is the caste system, which again divides the people into more rigid categories.

In all this confusion resulting from religious, political and caste differences, four men stand out who dominate the scene; Churchill and his Viceroy, Gandhi and Jinnah. The Viceroy represents England of the old school, of the tradition of Empire, of British responsibility to govern backward peoples. Behind him are the six hundred British Indian Civil Servants who are devoting their lives to India and who know little of what is going on in the world outside and who in their hearts want to preserve the *status quo*, since their livelihood depends upon it. Undoubtedly their views must have some influence on the Viceroy.

While in London I got the impression that the English people were ready and even eager to grant dominion status to India if only the Indians would agree among themselves with regard to the form of their government. I cannot say as much of Churchill, but certainly several members of his government with whom I have talked feel that way and have it much in their minds. The British press too is moving along more advanced lines in this respect.

But here in India the situation appears to be the reverse. The British whom I have met seem unaware of the changing attitude in England and cannot really envisage a free India fit to govern itself. They point out that eighty-five percent of the country is illiterate, that the great mass of the people are utterly indifferent as to who governs as long as there is a government to which they can look for food and relief in times of stress. They see the antagonism of the Hindu and Muslim political parties and feel that it is hopeless to expect them to reach any practical agreement. They speak of civil war the moment England departs, *et cetera, et cetera*. Naturally these views are reflected in the Indian leaders, and convinces them that British promises are worthless.

Gandhi is the third great personality,—the god whom people worship and, I imagine, a wholly impractical god . . . But if he could be convinced that the British are sincere in their desire to see India free, there is hope that he might be unexpectedly reasonable in his approach to Jinnah and the League.

To all inquiries as to whether I was planning to see him I have replied that I would consider an answer to the question later. Gandhi is still in prison and I think it is wiser not to make any such request of the Viceroy just yet. When, however, I have some helpful suggestion to discuss with Gandhi I shall not hesitate to ask for permission, but just now, my call upon him would raise speculation to fever heat without any compensating advantage.

Jinnah is the fourth person who has to be reckoned with. He and Gandhi distrust each other and are bitter political enemies. Jinnah's Muslim League, which in fact represents the great bulk of Muslim India, stands for Pakistan, that is, a complete independent Muslim State free from any interference whatsoever from British and Hindus alike. Recently it has been growing in power and influence, and is therefore a formidable opposition to the Hindu claim. . . .

I have seen something of Gandhi's son, who runs the principal Congress paper in New Delhi, and we have had frank talks. Jinnah is in Bombay and is coming to Delhi about the middle of February but I have already talked with his representative here.

Whenever I have an opportunity I urge the importance of another attempt by the leaders to reach a compromise agreement before allowing India to drift into the position of a house divided within itself. Gandhi's son assures me that his father is ready for another attempt at compromise, if he were out of jail, and that may be true.

And so there seem to be four men who hold in their hands the destiny of three hundred eighty-eight million people; Churchill dominates the Viceroy, the Viceroy dominates the Government of India, Gandhi controls the Congress and Jinnah the great mass of the Indian Muslims.

There seems to be only one way to bring about an agreement between the Indians themselves and that is to be in a position to convince them of Britain's sincerity. How can this be done is the heart of the problem. I hope that I may have some suggestions to offer later but not until I have more information. Meanwhile, I am planning to visit various parts of the country; first, the Punjab, where constitutional government is said to be flourishing; then to Bengal, where constitutional government functions but less successfully; then to Assam, to visit our forces; then to Bombay, Hyderabad and perhaps to the far South if I have time. I am also planning to visit several of the Hindu and Muslim universities. To all invitations to speak I have replied that I have come to study and to learn and so to be in a better position to report to you, and too I appreciate the danger of speaking in public to any group in this divided country.

I hope, Mr. President, that I may have the benefit of your judgment and guidance, for this is not an easy task that you have set me to and I would welcome any thoughts that you may have on the subject.

Sincerely yours,

WILLIAM PHILLIPS

845.00/1772 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, January 25, 1943—6 p. m.

[Received January 25—5 : 34 p. m.]

70. Since my arrival I have been meeting Indians of all shades of opinion and I have had long talks with many.

There has been much press comment including amusing cartoons but underlying much of it are hope and expectation that I may be able to help solve the problems. See my No. 71 of today's date.¹¹ While there are pronounced divisions of opinions between Indian politicians and parties, they all seem united in their demand for "freedom" from English rule although they have different ideas and often little conception in regard to the responsibilities of "freedom". The Indian states, however, are remaining for the present aloof from the demands of British India.

The heart of the problem seem to me the lack of faith in the promises of the British Government. Therefore, a new move by the British, more advanced than that contained in the 1935 constitution¹² or the Cripps proposals,¹³ is almost certainly necessary before the Indian leaders can be induced to make another serious effort to reach an agreement among themselves. The great majority of the people are said to be incapable of deep thinking on political questions but are satisfied to accept the ideas of their leaders.

My relations with the Viceroy are important. So far they are very cordial but in order to strengthen them and impress him without the necessity of a new approach to the problems, I believe that it is desirable for me to have a wider knowledge of the views from parts of India other than Delhi, consequently I am planning journeys in the north, central and southern sections of the country which begin next week with the Punjab.

PHILLIPS

845.00/1776 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, January 27, 1943—7 p. m.

[Received January 28—7 : 30 a. m.]

87. I had my first long talk with the Viceroy with regard to Indian affairs last evening during which I expressed the interest of the

¹¹ Not printed.¹² An act to make further provision for the Government of India, August 2, 1935, Great Britain, *The Public General Statutes*, 25 & 26 Geo. V, ch. 42, p. 569.¹³ British Cmd. 6350: *India (Lord Privy Seal's Mission)*, April 1942.

Americans in seeing a settlement of India's problems. I told His Excellency that I had been receiving Indians from many walks of life and different political opinions in an effort to understand their problems. I explained the purpose of my projected visits to various parts of the country where I hoped to obtain further enlightenment. The Viceroy cordially approved of my plans and assured me that on my return to Delhi he would go over the entire situation with me in detail. In reply to my inquiry as to whether in his opinion there was any possibility of his reopening the discussions with the Indian leaders he indicated that he stood ready to do so but of course under certain conditions.

PHILLIPS

845.00/1781 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 8, 1943—11 a. m.

[Received 4:25 p. m.]

114. Late this afternoon I called on the Viceroy to ask whether I call upon Gandhi during my forthcoming visit to Bombay, as I was anxious to be in a position to report fully to you the attitude of the Congress leaders, having already talked with leaders of other parties.

The Viceroy informed me in confidence that Gandhi has just expressed his determination to begin "a fast according to capacity" tomorrow morning, February 9th being the 6 months anniversary of his detention. The Government has no intention of allowing the fast to alter their policy but has decided to release Gandhi at the commencement of the fast. The latter has been so informed but has replied that he is not willing to take advantage of this decision, or to regard himself as a free man for the purpose of the fast. In his correspondence with Viceroy, Gandhi repudiated all the consequences which have flowed from the "quit India" demand, and seeks to throw the entire responsibility upon the Indian Government. He writes "I am through with you."

In his reply to Gandhi the Viceroy has rejected the suggestion of governmental responsibility as preposterous.

Inasmuch as no member of the Government will be permitted to visit Gandhi during the fast even though he is released, the Viceroy has asked me not to visit him, and I have acceded to his request.

In Lord Linlithgow's opinion "the fast according to capacity" means a period of about 21 days although there is a "loophole" left open. He does not believe that Gandhi's health will stand 21 days of fast.

I was shown the press release which is to be published in the event that the fast actually begins. If Gandhi changes his mind at the last moment, which seems doubtful, there is to [be] no mention of the matter. Consequently the Viceroy desires no publicity of any sort in the hope that the fast may not come off. Undoubtedly the consequences may be serious.

PHILLIPS

845.00/1780 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 9, 1943—10 a. m.

[Received February 9—4 : 13 a. m.]

115. The Viceroy informs me this morning (reference my 114, of February 8, 11 p. m. [*a. m.*]) that Gandhi has expressed himself as unprepared to take advantage of the Government's proposals to release him and has postponed his fast for 24 hours in order that the Viceroy and his Council may consider his (Gandhi's) reply. (This would seem to indicate that Gandhi has made counter proposals). Lord Linlithgow says that this is being done with all urgency and during the course of the day a decision will be taken in regard to which he will send me details for my personal and secret information. He again cautions me to insure the completest possible secrecy in order to avoid any leakage of the situation.

PHILLIPS

845.00/1782 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 9, 1943—11 p. m.

[Received February 9—4 : 16 p. m.]

118. Continuing my 115, February 9, 10 a. m. The Viceroy informs me this evening that it was clear to the Council at its meeting this morning that the position remained much as before. Gandhi was to be so informed and that the Government stands ready to set him at liberty for the duration of the fast. If, however, he would not take advantage of the offer and insisted upon fasting during detention, he was told that he would be acting solely on his own responsibility. In that case, he could have his own doctors and could receive his friends.

The Viceroy sends me copy of the proposed press release and copies of his lengthy correspondence with Gandhi and writes me that even at this last moment he hopes, although it is a faint hope, that Gandhi may reconsider his position. He will advise me tomorrow of the final decision.

PHILLIPS

845.00/1783 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 10, 1943—11 a. m.

[Received February 10—3:44 a. m.]

120. The Viceroy has just informed me that Gandhi started his fast this morning (my 118, February 9, 11 p. m.)

Under the circumstances I am postponing any further tours for the time being.

PHILLIPS

845.00/1784 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 10, 1943—3 p. m.

[Received 8:33 p. m.]

121. In a long interview yesterday with two members of the Birla family, who are perhaps the foremost industrialists in India, and two other wealthy supporters of the Congress, they emphasized that mutual distrust is main stumbling block to settlement between Britain and India. Gandhi's son was also present. They stated that Britain began the distrust and Indians as the weaker party had no alternative but to distrust British motives in return. Britain's disinclination to part with power now cannot, they declared, reasonably be based on fear that war effort would be impeded thereby because Indian leaders would be quite willing to have all military affairs this theatre controlled by joint general staff composed of British, Americans, Indians and Chinese. If Britain sincerely intends to grant freedom to India after the war, what then, they inquired, is the objection to a transfer of civil power to a provisional government now as an earnest of that intention? If, they added, Britain first gives evidence of her good faith and then adduces substantial reasons why it is not, in some respects, feasible to transfer complete civil power to India during the war, she will find Indian leaders reasonable and willing to meet the difficulties in a spirit of friendly accommodation.

Reluctantly I am coming to the conclusion that the Viceroy, presumably responsive to Churchill, is not in sympathy with any change in Britain's relationship to India.

The impression is widespread among Indians that the British Government is determined to preserve the *status quo* in spite of the promises given with regard to post war independence and general assurances contained in the Atlantic Charter.¹⁴

¹⁴ Joint statement by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations, 1941*, vol. I, p. 367.

In a recent interview which I had with the Viceroy he appeared for the first time suspicious of my intentions until I had repeated again to him that my object was to keep the President and you fully informed with regard to the Indian situation and that I had no intention of "intervening". He knows of course that Indians of all types are calling upon me and he probably knows also that they are looking to the United States and particularly to the President to induce the British Government to make a fresh and more liberal move toward a settlement. This is in fact the case.

PHILLIPS

845.00/1787 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 11, 1943—6 p. m.

[Received 7:15 p. m.]

130. The general impression in British and Government circles in Delhi today seems to be that while there may be some strikes and disturbances, there is no immediate danger resulting from Gandhi's fast unless he should die, when serious trouble is expected (reference my 120, February 10).

A member of Viceroy's Council expressed to me today his anxiety. Speaking entirely for himself, he hoped that British Government could be persuaded to set Gandhi completely free now rather than leave him in his present situation with freedom limited only to his fast.

I am reliably informed that the vote in the Council in favor of action taken by Government was 6 to 5. The minority, who desired Gandhi's unconditional release, were all Indians and consisted of 2 Hindus, 1 Muslim, 1 Sikh and 1 Parsee. The majority consisted of 3 Englishmen, 2 Muslims and 1 Hindu.

PHILLIPS

845.00/1845

*Mr. William Phillips, Personal Representative of President Roosevelt in India, to the President*¹⁵

NEW DELHI, February 11, 1943.

DEAR MR. PRESIDENT: The complex political situation here has become aggravated by Gandhi's "fast to capacity", whatever this new phrase indicates. Evidently he does not intend to commit suicide but he is over seventy and is said to be frail and there is danger that he may not survive the strain; at least, that is the Viceroy's fear.

¹⁵ Copy transmitted to the Department by Ambassador Phillips on February 11; received February 23.

After my return from a visit to the Punjab where I met and talked with Muslims of all types,—with members of the Union Government, Pakistan enthusiasts, Hindus and Communists, I felt that I could not properly carry out my mission unless I had an opportunity to talk with Congress leaders, all of whom are now in detention. Since my arrival, now five weeks ago, I have had to parry the question as to whether I was planning to see Gandhi and if so, when. It has been an awkward question, for if I had said anything which could have been interpreted as a yes or no, I would have been in serious trouble either with the Government or with the Congress Party.

I am planning to spend a few days in Bombay on my way to Hyderabad and Madras, and Poona, where Gandhi is confined, is only a short distance from Bombay and almost on the route to Hyderabad. I felt that if I passed Poona without even an effort to see the Congress leader who, as you know, is not in prison but is confined in the palatial residence of the Aga Khan, I would run the risk of alienating the Congress Party and press, which is already beginning to show some critical tendencies. And so I decided to approach the Viceroy and ask for permission to call on Gandhi.

Accordingly I called by appointment at seven o'clock on the eighth and stated the reasons for my request. I explained that my duty was to keep you informed of the situation here and that I could not do this without at least a call upon the leader of the principal party,—that I was to see Jinnah, the head of the Muslim League, in Bombay, and Rajagopalachari¹⁶ in Madras, and that a call upon Gandhi as I was passing by would have the advantage of a visit in the ordinary routine.

Linlithgow did not give me a straight answer but instead told me of the serious situation which was then developing in view of Gandhi's threat to fast. He explained that Gandhi was to be freed for the duration of the fast and that as no member of the Government would see him he had to request me not to make the visit. In the circumstances, I could only acquiesce.

I detected for the first time a suspicion on the Viceroy's part with regard to my motives. He asked me directly what were my intentions, a question which I did not welcome, but when I explained again that I was here to keep you fully informed and not to "intervene", he said, "I see that we understand each other." He became very friendly, called for drinks, and since then has kept me by personal letters in close touch with developments.

It is too early yet to know whether we are facing a serious situation or not. A rather general but perhaps British view in Delhi today is that there will be no serious complications, that Gandhi's stock has

¹⁶ C. Rajagopalachari, leading Indian Nationalist, former Premier of Madras Province; in 1942 he had resigned from the Party Executive of the Indian National Congress Party in order to pursue a more independent policy.

fallen of late, that other Congress leaders are all in detention and that while there may be a few strikes and local disturbances, there can be no widespread trouble, nothing in fact comparable to last summer's disturbances. On the other hand, Linlithgow, I know, is deeply concerned.

In the circumstances, I have decided to postpone my departure for Calcutta, Bombay and the South until the atmosphere is somewhat clarified.

Meanwhile, I am continuing to receive visits from all manner of people. Unhappily for me, more and more attention seems to be centered upon this Mission and upon me personally. Every Indian who comes to see me feels that through my influence the present deadlock with the British can be solved. Naturally I am in the picture only because of the popular feeling that the President of the United States alone can bring any influence to bear upon the British Government. I find it very difficult to know what to suggest. I do feel that the Gandhi fast has complicated the situation and made it even more difficult for the British to move, if they had any intention of doing so. But as long as he has no intention of "fasting unto death" he may come out of it without having caused any material change in the situation.

As I have indicated to the Department, the key to the present problem is in the hands of the British Government. It would seem wise for Churchill to "unlock the door" which he could do by convincing the Indian people that the promise of their complete independence after the war is an iron-bound promise. New words and phrases will not, I fear, carry enough weight, and therefore a new approach must be made in order to accomplish results. It must be a willingness on the part of the British Government to transfer as much civil power as possible *now*, on the understanding that the complete transfer will be made after the war. This would be the invitation to the leaders of the opposing parties to get together, which they cannot do now, not only because the leaders of one party are under arrest but because there is no inducement for them to make the necessary concessions to one another, and in view of the general distrust of British promises.

I have not touched upon the problem of the Princes, which is also a part of the picture. I have discussed it with the ruler of Nawanagar, who is the Chancellor of the Chamber of Princes and appears to be their spokesman. His idea is that when an Indian Government has been arrived at, the Princes will transfer to that Government rights and ownership of all transportation, mails, telegraphs, et cetera, et cetera, which are now for the most part the property of the Princes. The representatives of the people of the States whom I have also met will not be satisfied with this. They maintain that the old treaties between the Princes and the British Government are obsolete, that the Princes should not expect to have any greater powers in their

respective States than the King of England himself, that hereafter they should occupy the same position as that of Governors of Provinces, although they would still be "hereditary" and not subject to a five year limitation of office. The powers formerly exercised by them should be in the hands of the State Legislatures. There are 562 of such princelings and it is held that the great majority of their States, many of which are only *estates*, should be merged into larger units.

The entire picture of States and Provinces and the unanimous demand for a new approach on the part of the British Government is a matter of extraordinary interest which I only wish I could convey to you far more satisfactorily than I am doing, but which is almost impossible to present by letter. I feel acutely the fact that public attention is centered upon me in the hope and even expectation that I can do something constructive, and yet here I am, quite unable to do anything but listen to appeals, realizing as I do the importance of not prejudicing my position with the British authorities.

At the same time I want to avoid any impression on the part of the Indians that the presence of United States forces and my own presence here indicate that we Americans are strengthening the British hold over India.

With all good wishes,
Sincerely yours,

WILLIAM PHILLIPS

845.00/1788: Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 12, 1943—6 p. m.

[Received February 12—5:15 p. m.]

133. It is reported that many Indian shops and markets in Calcutta, Bombay, Delhi and other smaller centers are closed as a mark of sympathy for Gandhi (reference my 130, February 11, 6 p. m.). The textile mills in Ahmedabad have again closed as well as two large textile mills in Delhi. An explosion occurred in Delhi railway station yesterday, but it is not yet clear whether it was accidental or result of sabotage. Students have gone on strike in many places and are organizing processions and other demonstrations.

Bhansali¹⁷ is again fasting out of sympathy for Gandhi (reference my 22 of January 13, 3 p. m.¹⁸).

It is becoming more and more evident through press, leading articles and personal appeals that good offices of some sort by the United

¹⁷ J. B. Bhansali, life-long disciple of Gandhi.

¹⁸ Not printed.

States are looked for and that my silence is being unfavorably commented upon. An editorial in a Hindu vernacular paper entitled "An American Test" says that on the ground of humanity Americans should help to bring the Congress and the Government to an agreement, that this can only be done by me, that I should not waste time on secondary matters, and that long ago I should have seen the jailed Congress leaders. It adds that this is now the time for the Americans to show their sympathy, et cetera, et cetera.

Another editorial in the English language *Bombay Chronicle* entitled "Wanted Needs" takes the President and me to task for "not raising even a finger of protest" against violations of his (the President) pledges so long as such violations affect only non-white peoples. Continuing the editorial asks how the Indian people can put any faith in the sincerity of the United States spokesman.

Such comment is not pleasant to read and illustrates a rising trend of criticism against United States by Congress sympathizers. Naturally I feel deeply the hopes and expectations that appear to be centering more and more upon me. The Department will realize the difficulty of my position. Without instructions, I must not do anything to jeopardize my position with the Viceroy and therefore must stay and do nothing which might be interpreted as critical of the Government's actions or inactions. Therefore, I can only listen to appeals. On the other hand, it is equally important, in my opinion, to avoid giving any impression to the Indians that, through silence and inaction as well as through the presence of United States Forces and myself, strength is being added to the British position.

The feeling is being freely expressed that Gandhi should be freed and not merely granted a release for the duration of his fast, and that someone should be authorized to see him and convey his views to the Viceroy.

Any guidance which you can give me will be appreciated.

PHILLIPS

845.00/1790 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 13, 1943—2 p. m.

[Received 7 : 54 p. m.]

136. This morning the representatives of the entire American press in Delhi called upon me to inform me of severe censorship which has been imposed since Gandhi's fast. I said that I would informally advise the Department of External Affairs of this meeting and of their protest in not being allowed to present to the American public a true account of the present conditions here. I have already done so.

In view of the censorship I assume there has been little reaction in the American press but it would be helpful for me to know what is public attitude. The local press carries no American comment whatsoever.

PHILLIPS

845.00/1795 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 15, 1943—8 p. m.

[Received 8:42 p. m.]

144. Referring to my number 136 of February 13, 2 p. m. The American correspondents were received this afternoon by Sir Reginald Maxwell, home member of the Viceroy's Council. In the course of his statement, he said that Congress "is the enemy" and that the correspondents would not be permitted to send out dispatches which placed either Gandhi or Congress "in a favorable light". The correspondents emphasized their feelings of responsibility to present to the American public a factual picture of the situation in India and complained that they were not even permitted to send some of the reports regarding Gandhi appearing in the local papers.

PHILLIPS

845.00/1798 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 16, 1943—6 p. m.

[Received 8:54 p. m.]

151. Matthews of *New York Times*¹⁹ informed me this morning that he had just seen Sir Sultan Ahmed, Law Member of the Executive Council, who said Gandhi's condition is very grave and that he may die within a few days. Sir Sultan and four other Indian members of the Executive Council are seriously considering resigning but have not yet reached a definite decision. They feel that they cannot permit the Viceroy to make them appear responsible before the Indian people for the death of Gandhi but hesitate to sever their connections with the Government. According to Matthews, Sir Sultan said that he and his four colleagues could not obtain permission to see the Viceroy today. From another source I heard that Linlithgow is indisposed.

It would be helpful for me to know whether the President and you would be willing to allow me, in the event that it is learned that

¹⁹ Herbert L. Matthews, in India from August 1942.

Gandhi's life is in imminent danger, to approach the Viceroy informally and express our deep concern over the political crisis.

Even though there might be no immediate results, perhaps such action might be useful for the record, because it would help to correct the impression, based on our inactivity and the presence of American troops, that we have been giving support to the Viceroy's position.

PHILLIPS

123 P 54/581 : Telegram

The Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

WASHINGTON, February 16, 1943—9 p. m.

92. The President has expressed a desire that you return to the United States for consultation with him at the end of April or the beginning of May. It is the President's expectation that you will be in this country for about one month. This information is conveyed to you at this time that you may make such plans and arrangements as may be necessary. Your proposed return for consultation has not been made public.

Reference concluding paragraph your 133 of February 12.

HULL

845.00/1833

Memorandum of Conversation, by the Secretary of State

[WASHINGTON,] February 16, 1943.

The British Ambassador ²⁰ called at his request. I tactfully brought up the matter of India and said that I was not undertaking to make any suggestions or to pass judgment on anything involved, but that I had a feeling that if Gandhi should die during his present fasting there might arise acute conditions which it would be important to foresee and to prepare against, etc. etc. The Ambassador said he appreciated very much what I said and added that according to his information, his Government was giving all phases of the matter the very closest attention.

After again emphasizing my fears of acute conditions arising in India following any sudden or possible death of Gandhi, I raised the question of whether the British would or might find it possible and advisable to consider certain additions to the Cripps proposals of 1941 [1942]. I said that I was not capable of offering any concrete suggestions or implementations with respect to the Cripps proposals, but coming back to my first expression of fear about the dangers which

²⁰ Viscount Halifax.

might arise from the sudden death of Gandhi, I wished to emphasize each of these phases very earnestly.

C[ORDELL] H[ULL]

845.00/1798 : Telegram

The Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

WASHINGTON, February 17, 1943—7 p. m.

96. Your 151, February 16. The President and I concur in your suggestion that you approach the Viceroy informally and express our deep concern over the political crisis. You may of course convey in your discretion an expression of our hope that some means may be found to avert the worsening of the situation which would almost certainly follow Gandhi's death.

HULL

845.00/1800 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 17, 1943—8 p. m.

[Received February 17—12: 55 p. m.]

156. Mody, Aney and Sarkar have resigned from Viceroy's Executive Council²¹ over issue of Gandhi's fast. They were 3 of the minority of 5 who voted for Gandhi's unconditional release (reference my 130, February 11, 6 p.m.)

PHILLIPS

845.00/1805 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 18, 1943—7 p. m.

[Received February 18—4: 25 p. m.]

158. I called this afternoon upon the Viceroy and read and left with him a paraphrase of your telegraphic instruction number 96 dated February 17, 7 p. m. He asked whether a similar communication had been made through Halifax, to which I replied that this would be possible but that I had no reason to think so. He reminded me that the final decision with regard to all such matters as Gandhi's fast remained with London but this [*that?*] he was keeping the British Government daily advised of developments.

²¹ Sir Hormusji Peroshaw Mody, Supply Member of the Executive Council; Madhao Shrihari Aney, Indians Overseas Member; Nalini Ranjan Sarkar, Education, Health and Lands Member.

I explained how anxious we were in view of the importance of India as a war base and the unfortunate consequences which might follow any widespread unrest should Gandhi die. Linlithgow replied that he and the British Government were united in the firm conviction that their present policy was right. All of his Governors, members of the British Indian Civil Service and his police were unanimous in feeling that they had the situation well in hand. They faced with equanimity the possibility of Gandhi's death, although personally, he believed that Gandhi would survive the 21 days. Should he die, however, the Viceroy recognizes that there will be certain amount of trouble to cope with, but at the end of 6 months he believes this would pass and the atmosphere would become cleared and progress made easier. Gandhi he said had always sabotaged all efforts made by the British Government.

I left with the impression that he feels the importance of maintaining the prestige and power of the Government here and that the release of Gandhi would be interpreted by the Indian public as weakness and therefore to be avoided. The question of giving publicity to my visit did not arise during the conversation and I believe it is best to keep it strictly confidential for the present.

PHILLIPS

845.00/1804 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 19, 1943—5 p. m.

[Received February 19—4: 49 p. m.]

161. The pressure on me as the President's representative to do something to save Gandhi's life is increasing hourly. Our own press as well as the Indian press and constant visitors show impatience at what is regarded by them as failure on our part to appreciate the seriousness of the situation. Indians seem to feel that pressure by the United States is their last hope.

The Viceroy is again confined to his bed but I telephoned to his private secretary this morning, who is one of his closest advisers and informed him of the difficulty in which I find myself. I said that I was particularly embarrassed with regard to my own American correspondents and would like to be able to say merely that I had called on the Viceroy yesterday (reference my 158, February 18, 7 p. m.) he replied that he considered any mention at this time, either here or in Washington, of my visit would be "disastrous" but he promised to refer the matter to the Viceroy. He later telephoned that the Viceroy likewise disapproved of any mention of it but suggested a statement to be made by me to the effect that the Viceroy was keeping me in the

closest possible touch with the matter. This I considered would be worse than saying nothing at all as it might be construed as concurrence with the Viceroy's policy. I informed the private secretary that I could only report the situation to Washington.

I had an interview for one hour this morning with Rajagopalachari who emphasized the importance of the American Government making its position known in order to avoid the otherwise inevitable conclusion in the Asiatic mind that the United States was collaborating with Great Britain in the present crisis and had formed a sort of white bloc.

Rajagopalachari said the time for the United States to make its position clear is now but that at all events it must do so later in order that white prestige in Asia may be maintained and to prevent Indians from drifting ideologically towards Japan. He emphasized over and over again the extreme importance of averting a white against colored complex in the East. He declared that bitter anti-British and, he feared, anti-white feelings would be the result of Gandhi's death. He also said there would be a recurrence of disturbances throughout the country which the Government, however, would be able to put down by force. He put great pressure on me to do something to prevent this catastrophe. He is convinced that Gandhi cannot last more than 3 or 4 more days.

As I see it, the immediate problem has two sides; (1) that of the so-called [white?] prestige in India, and (2) the safeguarding of our own position in India as a military base against Japan, as well as our future relations with all colored races.

I suggest that if the President could exert friendly pressure on the British Government through Halifax as former Viceroy, I believe our record would be strengthened. But there is no time to be lost.

PHILLIPS

845.00/1807 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 20, 1943—3 p. m.

[Received February 20—11 : 53 a. m.]

163. The resolution quoted in my 164 of February 20, 4 p. m.²² has been suppressed by the censors, both for publication in India and for transmission abroad. The Committee has telegraphed the resolution to Mr. Churchill and to Mr. Amery²³ but whether these telegrams have actually been allowed out of the country by the authorities is unknown.

²² *Infra.*

²³ Leopold C. M. S. Amery, British Secretary of State for India.

Although to date there has been comparatively few demonstrations or disturbances, I am convinced that with each day the feeling against the British is mounting. From this angle alone I view the situation with concern. It appears to me that a means of checking this trend might be a magnanimous gesture on the part of the King, ostensibly made at the Viceroy's request, in response to the widespread appeal of the Indian populace, for the unconditional release of Gandhi.

PHILLIPS

845.00/1810: Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 20, 1943—4 p. m.

[Received 7:11 p. m.]

164. The following resolution was passed yesterday by a committee of the leaders meeting here and in view of Gandhi's physical condition was presented to the Viceroy last night without waiting for it to receive the approval of the plenary session today:

"This conference representing different creeds, communities and interests in India, gives expression to the universal desire of the people of this country that, in the interest of the future of India and notwithstanding international good will, Mahatma Gandhi should be released immediately and unconditionally.

This conference views with gravest concern the serious situation that will arise if the Government fail to take timely action and prevent a catastrophe. This conference therefore urges the Government to release Mahatma Gandhi forthwith.[""]

PHILLIPS

845.00/1790: Telegram

The Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

WASHINGTON, February 20, 1943—5 p. m.

108. Such comment as has been observed in American press regarding Gandhi's fast and situation arising therefrom has for the most part been factual and unemotional. Implications involved are probably not appreciated by American public and it is thought that there has been thus far little reaction to existing situation. Censorship in India has undoubtedly greatly restricted possible coverage here.

HULL

845.00/1804 : Telegram

The Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

WASHINGTON, February 20, 1943—6 p. m.

109. Your 161 of February 19. On February 16 I discussed the Indian situation on a private and personal basis with Lord Halifax. Today, with the approval of the President, I had a full and frank exchange of views on the same subject with the Ambassador.

If you are still under heavy pressure from the press representatives I believe you might appropriately say that any phases of the Indian situation which require discussion will be dealt with by the ranking officials of the American and British Governments.

HULL

845.00/1874

Memorandum of Conversation, by the Secretary of State

[WASHINGTON,] February 20, 1943.

The British Ambassador called at his request. He proceeded to refer to the Gandhi fasting and to the matter of Phillips' possible acts or utterances in this connection. At this point I interrupted him to say that the President desired me to see the Ambassador on the subject of Gandhi and his fasting as it involved the British-Indian situation, and that I was proceeding now to do so. I said that the President desired me to take the matter of Gandhi's fasting up with the Ambassador and say that it is the view of the President that Gandhi should not be allowed to die in prison. I made this point unmistakably clear to the Ambassador. The Ambassador received this with some appearance of equanimity.

The Ambassador then referred to Ambassador Phillips and said that his Government was very desirous that he avoid any public reference to the Gandhi matter at this time. I replied to his reference to Phillips and the desires of the British Government by saying that he, Mr. Phillips, is in a very difficult and unsatisfactory situation in this connection—that the British Viceroy forbids him to call on him just now and justifies his action on the representation to Phillips that it would be exceedingly dangerous to the British-Indian situation for Phillips to confer with him. I added that now his Government expresses a desire that Phillips say nothing indicative of his serious concern which, if published, would accentuate the already high tension that exists and aggravate the difficulties now confronting the British.

I again referred to the instructions of the President to the effect that not only would Phillips not be expected to remain absolutely

quiet and nonvocal but that the President himself goes much further and emphasizes his position that Gandhi should not be allowed by the British to die in prison. (I incidentally reminded the Ambassador that some three or four days before, I myself had spoken to him on this subject in a personal way and not for publication, expressing the serious concern of this Government in regard to the possible death of Gandhi.) I remarked that a vital question for the British to consider from their standpoint would seem to be whether they can deal most effectively with Gandhi alive or with Gandhi dead and his supporters claiming martyrdom to a more or less degree. The Ambassador received these comments from the President with calmness, did not undertake to argue, and twice said that he would get the message to his Government without delay.

The Ambassador finally expressed the earnest hope that Phillips would not undertake to make such public representations in India as would, in the judgment of the Ambassador, give serious trouble. I replied that Phillips had already, as the Ambassador had learned through London, indicated the serious concern of this Government in regard to the matter. I added that Phillips might naturally now leave any further representations to higher officials, since the President had expressed his views in his message, presumably for Mr. Churchill, but that I would nevertheless make a suggestion along this line to Phillips in my next cable.

C[ORDELL] H[ULL]

845.00/1814 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 22, 1943—5 p. m.

[Received February 22—2: 13 p. m.]

170. Rajagopalachari called this morning and discussed with me the following suggestion:

A communication has just been received from some of Gandhi's friends at Poona including his own son to the effect that the Viceroy should offer to send an official emissary to Poona to submit to Gandhi the evidence now in the possession of the Government of Congressmen's responsibilities in last summer's disturbances. In that case Gandhi might be persuaded to stop his fast and await the receipt of the evidence for which he has been asking. If he is in no condition to examine the evidence, he would request the release from prison of certain members of the working committee to come to Poona to assist him. All would still be technically under arrest.

Rajagopalachari thought the suggestion of sufficient importance to ask me to convey it to the Viceroy. I said that it would be best for

me not to do so as matters were now being dealt with by high officials of the American and British Governments and I had no instructions. But I urged him to convey the message himself to the Viceroy's secretary, as it seemed a possible way out of the present deadlock and should at least be made known to the Viceroy. Rajagopalachari promised to do so at once.

PHILLIPS

845.00/1815 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 23, 1943—1 p. m.
[Received February 23—7:39 a. m.]

174. At Rajagopalachari's request, Sir Maurice Gwyer, Chief Justice of India, presented to Viceroy's deputy private secretary yesterday the proposal referred to in my 170, February 22, 5 p. m. In rejecting the proposal, Viceroy reiterated that responsibility entirely on Gandhi and Government could not take initiative.

PHILLIPS

845.00/1905

*Mr. William Phillips, Personal Representative of President Roosevelt in India, to the President*²⁴

NEW DELHI, February 23, 1943.

DEAR MR. PRESIDENT: Since my last letter²⁵ the Gandhi business has given us a lot of trouble. A strict censorship has kept from the American press the widespread consternation caused by the official bulletins which indicated that he could not survive the fast. Muslims, Nationalists, Christians joined in the appeal of the Hindus for clemency, partly out of real sympathy and partly out of dread of what would happen throughout India if Gandhi died during the fast.

It is difficult for Anglo-Saxons to understand the deep-seated feelings which have been aroused by this performance of an old man of 73 years. Many Indians have told me that during his previous "fasts unto death" there was nothing like the present nation-wide consternation. The explanation given is that to vast numbers of Hindus Gandhi has a semi-divine quality which separates him from, and elevates him above, the rest of mankind. That such a being is willing to sacrifice himself for the cause that every Indian has at heart, namely, the independence of India, has touched the people as a whole.

²⁴ Copy transmitted to the Department by Ambassador Phillips on February 23; received about March 16.

²⁵ February 11, p. 188.

While, of course, Gandhi's methods in the past are not approved, probably by the majority, nevertheless his honesty of purpose is respected and Indians who have been violently against him have now joined the chorus of appeals in his behalf. There could be nothing like it in any other country but India.

As an example, I attended a banquet last evening given by one of the Indian members remaining in the Viceroy's Council in honor of the Governor of the United Provinces. I was told that fifty guests out of approximately one hundred and fifty acceptances gave out of the dinner at the last moment and even the host's wife and two daughters boycotted the dinner out of sympathy for Gandhi.

This is the fourteenth day of the fast and he has seven more days to go to complete his announced twenty-one days. Lately the bulletins have been far more reassuring and there is reason to believe now that he will survive.

Unfortunately, the whole episode has brought the United States prominently into the picture and I have been literally besieged by callers and overwhelmed by telegrams from all parts of India, asking whether there could not be something done from Washington or by me to relieve the present deadlock. An important conference of political leaders from various parts of India assembled in Delhi last week to urge the Viceroy to clemency and many of them called upon me. To the telegrams we have merely given formal acknowledgment. To the callers I have listened by the hour. While I had to be sympathetic, I gave them no reason to think that we would intervene, and it was only after the Department's authorization to say, in case I felt the need, that matters affecting the Indian situation which required handling were being dealt with by high officials of the American and British Governments, that I gave them that much comfort. I did this in the hope that it would lessen the pressure on the Mission and at the same time show the Indians that we were not completely indifferent.

But the Viceroy has remained adamant and has refused to listen to any appeals. He regards the case as one of defiance to law and order which must be dealt with accordingly. He does not feel, I fear, the pathos in the appeal of these millions for freedom for their own country. He is certainly a man of determination, for he has shown no weakening in his policy to let Gandhi bear the consequences of his fast and die in the process if necessary, no matter what the results may be. Perhaps he is a "chip off the old block" that Americans knew something about in 1772.

I realize perfectly that neither you nor the Secretary could do much but I had hoped that the Secretary's talks with Halifax might bear fruits in some way. At least I hoped to avoid the impression here, signs of which have already appeared, that by the presence of our forces in India and my own presence we were openly encouraging the

British to retain their hold over India. For, rightly or wrongly, there is one fixed idea in the minds of Indians—that Great Britain has no intention of “quitting India” and that the post-war period will find the country in the same relative position. In the circumstances, they turn to us to give them help because of our historic stand for liberty.

I fear that the Office of War Information in India has been too active in advertising in the press, under the caption of the American flag and the Statue of Liberty, that the President “has declared the extension of these fundamental liberties to all men the base of the American people’s war aims”, et cetera, et cetera. Certainly Indians look to us for the help in their struggle, which presumably it will be difficult for us to give during the war. And after the war they believe that any such help will come too late, since whatever persuasion we can exercise over the British can be done better now than when the general scramble begins for post-war settlement. That is their view, I think, and one cannot live here without having a great deal of sympathy for it.

I am looking forward to the opportunity of talking over the situation with you when I return to Washington, and before then I hope to do a certain amount of travelling in the central and southern parts of the country to get a wider view of its problems.

With kindest remembrances and best wishes,

Sincerely yours,

WILLIAM PHILLIPS

845.00/1843a : Telegram

The Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

WASHINGTON, February 25, 1943—6 p. m.

120. In the event Gandhi dies, the Department proposes to release following statement of policy regarding American troops in India. The Department understands that the War Department is cabling a copy to the Commanding United States Army Officer in India for his information and guidance.²⁶

It is thought that foreknowledge of this statement may be helpful to you, and you will no doubt wish to see that it is likewise released in India if Gandhi’s death occurs.

“It will be recalled that on August 12, 1942 announcement²⁷ was made that the following statement of this Government’s policy had been incorporated in orders to the American military forces in India :

²⁶ A draft statement was submitted on February 23 to the War Department for approval on an urgent basis, and was cleared with minor revisions.

²⁷ Department of State *Bulletin*, August 15, 1942, p. 697.

1. The purpose²⁸ of the American forces in India is to prosecute the war of the United Nations against the Axis powers. In the prosecution of the war in that area the primary aim of the Government of the United States is to aid China.

2. American forces are not to indulge to the slightest degree in activities of any other nature unless India should be attacked by the Axis powers, in which event American troops would aid in defending India.

3. American forces in India will exercise scrupulous care to avoid the slightest participation in India's internal political problems, or even the appearance of so doing.

4. In event of internal disturbances American forces will resort to defensive measures only should their own personal safety or that of other American citizens be endangered or for the necessary protection of American military supplies and equipment.'

It is desired to reaffirm that statement of policy at this time and to emphasize that American troops are in India to assist in the protection of India against Japanese aggression and not with a view to their participating in any way in India's internal problems. It will be realized in addition that in line with the policy previously affirmed on August 12, 1942, one of the most important functions of American troops in India is to assure that all possible aid to China be maintained and hence to guard maintain and develop essential supply routes through India to that country."

HULL

845.00/1844 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, March 3, 1943—6 p. m.

[Received 8:55 p. m.]

202. Reference my 191, February 7 [27], midnight [noon].²⁹ Gandhi ended his fast this morning at 10:30 a. m. The Home Department of the Government of India issued the following communiqué:

"On the termination of Mr. Gandhi's fast, the arrangements for his detention and that of the other persons detained at the Aga Khan's Palace which obtained before the fast have now been resumed. Such extra medical assistance and nursing as may be necessary will continue for the present.[""]

PHILLIPS

²⁸ The 1942 text published in the Department of State *Bulletin*, August 15, 1942, p. 697, and the original draft of this telegram read "sole purpose", but the qualifying adjective was struck out before transmission.

²⁹ Not printed.

845.00/1906

*Mr. William Phillips, Personal Representative of President Roosevelt in India, to the President*³⁰

NEW DELHI, March 3, 1943.

DEAR MR. PRESIDENT: Gandhi has successfully completed his fast and the only result of it has been increasing bitterness against the British from large sections of the people. The Government has handled the case from the legalist point of view. Gandhi is the "enemy" and must not be allowed to escape from his just punishment and at all cost British prestige must be maintained.

Indians look at it from a different angle. Gandhi's followers regard him as semi-divine and worship him. Millions who are not his followers look upon him as the foremost Indian of the day and that since he has never had an opportunity to defend himself it is a case of persecution of an old man who has suffered much for the cause which every Indian has at heart—freedom for India. And so presumably Gandhi comes out of the struggle with an enhanced reputation as a moral force.

The general situation as I see it today is as follows:

From the British viewpoint their position is not unreasonable. They have been in India for 150 years and except for the mutiny in 1857, generally speaking, internal peace has been maintained. They have acquired vast vested interests in the country and fear that their withdrawal from India would jeopardize those interests. The great cities of Bombay, Calcutta and Madras have been built up largely through their initiative. They have guaranteed the regime of the Princes, who control territorially about one-third of the country and one-fourth of the population. They realize that new forces are gathering throughout the world which affect their hold over India and they have therefore gone out of their way, so they believe, to offer freedom to India as soon as there are signs that the Indians themselves can form a secure government. This the Indian leaders have been unable to do and the British feel that they have done all that they can in the circumstances. Behind the door is Mr. Churchill, who gives the impression that personally he would prefer not to transfer any power to an Indian Government either before or after the war and that the *status quo* should be maintained.

The Indians, on the other hand, are caught in the new idea which is sweeping over the world, of freedom for oppressed peoples. The Atlantic Charter has given the movement great impetus. Your speeches have given encouragement. The British declarations that freedom would be granted to India after the war have brought the

³⁰ Copy transmitted by Ambassador Phillips to the Secretary of State on March 3; received March 16.

picture of Indian independence as never before in the thoughts of the entire Indian intelligentsia. Unfortunately, as the time approaches for ending the war, the struggle for political prestige and power between the parties has increased and this has made it more difficult than ever for the leaders to be willing to reach a compromise agreement. And furthermore, Gandhi and all Congress leaders, not to mention the fifty or sixty thousand Congress supporters, are in jail and as Congress is the strongest political party, there is no one available to speak for it.

There is thus a complete deadlock and I should imagine that the Viceroy and Churchill are well satisfied to let the deadlock remain as long as possible. That is, at least, the general impression in most Indian circles.

The problem, therefore, is, can anything be done to break this deadlock through our help? It seems to me that all we can do is to try to induce the Indian political leaders to meet together and discuss the form of government which they regard as applicable to India, and thus to show the world that they have sufficient intelligence to tackle the problem. We must not assume that they will adopt the American or British systems. In view of the importance of guaranteeing protection to the minorities, a majority form of government may not be applicable and a coalition may prove to be the only practical way of guaranteeing internal harmony. We cannot suppose that the British Government can or will transfer power to India by the scratch of a pen at the conclusion of the peace conference unless there is an Indian Government fit to receive it. The question remains, therefore, how to induce the leaders to begin now to prepare for their future responsibilities.

There is, perhaps, a way out of the deadlock which I suggest to you, not because I am sure of its success, but because I think it is worthy of your consideration.

With the approval and blessing of the British Government, an invitation could be addressed to the leaders of all Indian political groups on behalf of the President of the United States, to meet together to discuss plans for the future. The assembly could be presided over by an American who could exercise influence in harmonizing the endless divisions of caste, religion, race and political views. The conference might well be under the patronage of the King Emperor, the President of the United States, the President of the Soviet Union³¹ and Chiang Kai-shek,³² in order to bring pressure to bear on Indian politicians. Upon the issuance of the invitations, the King Emperor could give a fresh assurance of the intention of the British Government to transfer power to India upon a certain date as well

³¹ Mikhail Ivanovich Kalinin.

³² President of the Chinese Executive Yuan, leader of the Kuomintang.

as his desire to grant a provisional set-up for the duration. The conference could be held in any city in India except Delhi.

American chairmanship would have the advantage, not only of expressing the interest of America in the future independence of India, but would also be a guarantee to the Indians of the British offer of independence. This is an important point because, as I have already said in previous letters, British promises in this regard are no longer believed.

If either of the principal parties refused to attend the conference, it would be notice to all the world that India was not ready for self-government, and I doubt whether a political leader would put himself in such a position. Mr. Churchill and Mr. Amery may be obstacles, for, notwithstanding statements to the contrary, India is governed from London, down to the smallest details.

Should you approve the general idea and care to consult Churchill, he might reply that, since the Congress leaders are in jail, a meeting such as is contemplated is impossible. The answer could be that certain of the leaders, notably Gandhi, might be freed unconditionally in order to attend the conference. The British may even be searching for a good excuse to release Gandhi, for the struggle between him and the Viceroy is over with honors for both—the Viceroy has maintained his prestige; Gandhi has carried out his protest against the Government by his successful fast, and has come back into the limelight.

There is nothing new in my suggestion, except the method of approach to the problem. The British have already announced their willingness to grant freedom to India after the war, if the Indians have agreed among themselves as to its form. The Indians say they cannot agree because they have no confidence in the British promises. The proposed plan perhaps provides the guarantee required by the Indians, and is in line with British declared intentions.

Possibly this is a way out of the impasse, which if allowed to continue, may affect our conduct of the war in this part of the world and our future relations with colored races. It may not be successful, but, at least, America will have taken a step in furthering the ideals of the Atlantic Charter.

I offer the suggestion now in order that it may have your consideration before my return to Washington at the end of April or early May, when I shall be able to give you at first hand further information on the subject.

Sincerely yours,

WILLIAM PHILLIPS

123 P 54/585 : Telegram

*Mr. William Phillips, Personal Representative of President Roosevelt
in India, to the Secretary of State*

NEW DELHI, March 5, 1943—noon.

[Received March 5—9 : 23 a. m.]

207. I am leaving today for Bombay and the south and shall return to Delhi about April 1.

PHILLIPS

845.00/1864 : Telegram

The Consul at Bombay (Donovan) to the Secretary of State

BOMBAY, March 11, 1943—10 a. m.

[Received 10 : 59 a. m.]

173. From Phillips. "During my stay in Bombay I have been meeting many Indian leaders who have presented their views with regard to the present political deadlock, a conference of important Congress supporters is taking place in Bombay at which a resolution was passed yesterday afternoon addressed to the Viceroy requesting permission for a small group to visit Gandhi. Rajagopalachari will probably carry the resolution personally to the Viceroy within a few days. It appears that during the fast Rajagopalachari was permitted to see Gandhi. During their conversation Gandhi expressed his emphatic disapproval of all violence and sabotage and denies that the Congress Party had authorized it. The proposed resolution is an effort to obtain from Gandhi a more formal assurance to the same effect which would then be communicated to the Viceroy in the hope that the deadlock might thus be broken and a way opened for negotiations.

Rajagopalachari who has given me the above information fears that the Viceroy will give the resolution little consideration; he believes that the better course would be for the Government to release Gandhi without further delay but he is willing, nevertheless, to go to Delhi for this purpose and in view of what he has learned in private conversation from Gandhi he realizes that it is only the first step in an effort to find a way out of the immediate difficulties.

In view of the rigid position which the Viceroy has maintained in the past there is, in fact, some danger that he may not permit any contact from the outside with Gandhi and in my opinion this would be unfortunate and would only aggravate the present situation and the general antagonism to the British.

In the circumstances I wonder whether you could informally suggest to the British Government the inadvisability of rejecting this plea."

DONOVAN

845.00/1877: Telegram

The Consul at Madras (Bower) to the Secretary of State

MADRAS, March 19, 1943—5 p. m.

[Received 6:20 p. m.]

27. From Phillips. Referring to my telegram of March 11th from Bombay,³³ it now appears that the resolution in question was forwarded to the Viceroy on the 15th instant with an accompanying letter signed by Sapru³⁴ saying that should the Viceroy care to discuss the substance of the resolution a delegation of four would proceed to Delhi at once. Rajagopalachari told me today that no reply has yet been received from Delhi but is expected in a day or two. He himself does not seem hopeful that it will be favorable.

His idea is that if negotiations with Gandhi could be reopened and if the British Government would be willing to begin again where the Cripps' proposals broke off a preliminary agreement could be arrived at for the duration of the war.

Here in Madras, as elsewhere, the general view among the Indians seems to be that the British should make a new effort to find a solution and that if this proves to be sufficiently convincing of their good faith the opposing political parties would find a way to reach a compromise. [Phillips.]

BOWER

845.00/1880: Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, March 24, 1943—5 p. m.

[Received 11:55 p. m.]

237. Viceroy has expressed his willingness to receive delegation of leaders who recently met in Bombay (reference Ambassador Phillip's recent telegram from Bombay).³⁵ Competent observers here predict that Viceroy will object [*reject?*] leaders request for interview with Gandhi and that such rejection will further accentuate the already intense anti-British feeling in the country.

PHILLIPS

³³ *Supra.*³⁴ Sir Tej Bahadur Sapru, prominent political leader; President, Non-Party Conference, 1941.³⁵ Telegram No. 173, March 11, p. 208.

845.00/1986 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 1, 1943—7 p. m.

[Received June 17—9:47 a. m.]⁸⁶

254. Leaders decided to abandon interview with Viceroy planned for today (reference my 246, March 30, 3 p. m.⁸⁷). Viceroy stipulated that leaders would read out their memorandum and he would thereupon read a written reply after which the interview would be over. As this procedure precluded discussion of the various points to be raised, leaders considered that interview would be worthless.

PHILLIPS

845.00/1899 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 2, 1943—2 p. m.

[Received 3:48 p. m.]

256. In a long written reply, Viceroy yesterday rejected leaders' request for interview with Gandhi (reference my 254, April 1, 7 p. m.). Refusal was based on grounds that (1) Gandhi has not repudiated Congress' resolution of August last, (2) has not condemned "those incitements to violence which are represented by his references to open rebellion," et cetera, and (3) has given no assurances for future satisfactory to Government. Viceroy also regretted that recent conference of leaders in Bombay did not include representatives of Muslim League, depressed classes, Hindu Mahasabha and Indian States (reference my telegrams of March 11 from Bombay and March 19 from Madras.)⁸⁸

With regard to the three grounds of refusal mentioned above, it was for the very purpose of getting Gandhi's reaction to the happenings of recent months that leaders requested an interview with him. In connection with the nonrepresentative character of the Bombay Conference, leaders who attended the meeting did so not for the purpose of negotiating a settlement but only to request facilities for ascertaining Gandhi's present position which, if satisfactory, would have then opened the way to negotiations between all parties including British.

Viceroy's present frame of mind appears to preclude any possibility of a settlement. The continued refusal to allow mediators access to Gandhi leaves one with the suspicion that authorities have no desire to see deadlock ended.

PHILLIPS

⁸⁶ Telegram apparently delayed in transmission.⁸⁷ Not printed.⁸⁸ Telegrams No. 173 and No. 27, pp. 208 and 209, respectively.

845.00/1900 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 2, 1943—4 p. m.

[Received 11:07 p. m.]

257. I returned to Delhi last night. In view of Viceroy's refusal to permit a small delegation of Indian leaders to consult with Gandhi (see my 256 of today) it is doubtful whether he would respond favorably to any request that I might make to see Gandhi and Nehru. However, I propose to ask Viceroy for permission to do so in view of the fact that I am returning at the end of the month to Washington for consultation and that without contact with any of the Congress leaders I cannot fulfill the mission with which the President has entrusted me. In this connection please refer to my 114, February 8.

It would strengthen my request if I were in a position to say that my Government hopes that my request for permission to visit Gandhi and Nehru will be granted. May I have your views.

PHILLIPS

845.00/1901 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 3, 1943—5 p. m.

[Received 8:15 p. m.]

262. My visits to the provinces of Bombay and Madras and to the states of Hyderabad, Travancore, and Mysore have strengthened the impression previously gained in Delhi that anti-British sentiment is on the increase.^{35a} In the states particularly in Travancore and Mysore where there are unusual opportunities for industrial development this sentiment arises more from what is believed to be an unsympathetic feeling on the part of the British to the development of state enterprises which might compete with British industry than to national political discontent.

I am impressed by the progress already made in these states which have been comparatively free of political warfare. Mysore has far the highest percentage of literacy in the whole of India. Travancore and Hyderabad though still backward in this respect are energetically trying to raise their percentage. All three states are examples of advanced socialism under autocratic rulers.

^{35a} In a letter which Ambassador Phillips wrote to President Roosevelt on April 7 describing in some detail his trip to the south of India he wrote: "In conclusion, may I repeat, that there is everywhere a feeling of frustration, discouragement, and helplessness. America is still looked upon as the one and only hope, and that our Government should use its good offices to bring the opposing forces together, in the interests of India and of the United Nations."

Politically the general opinion in Indian circles seemed to be that the British should make a new effort to break the present deadlock and with this end in view the following suggestions were made to me:

(1) A declaration by the King Emperor of readiness to grant commonwealth status at an appropriate time after the war and meanwhile to constitute a provisional national government;

(2) Viceroy should either (a) invite a prominent Indian preferably a political leader to form a provisional coalition government representing the various political parties or (b) he himself appoint such a government;

(3) Power should be transferred to such a provisional government Viceroy retaining in his hands and in those of his military advisers such questions of defense organization and military administration as are of extra Indian interest, that is, of importance to the United Nations in the conduct of the war;

(4) Similar provisional coalition procedure is recommended for the provinces;

(5) The states prefer to remain aloof until satisfied of stability at the center.

It is of interest in this connection that although the states have their separate entities guaranteed by treaty with the British Government nevertheless some of their leaders expressed to me their hopes for a united self-governing India with which the states could associate.

As Department can readily see any such program requires the support of Congress leaders all of whom are now in jail. Please refer to my 257 of yesterday's date.

PHILLIPS

845.00/1933

Memorandum by the Adviser on Political Relations (Murray) to the Under Secretary of State (Welles)

[WASHINGTON,] April 6, 1943.

MR. WELLES: We are sending you herewith for your approval the attached draft telegram³⁹ to Mr. Phillips authorizing him to inform the Government of India that this Government hopes his request for permission to visit Gandhi and Nehru will be granted.

You have doubtless noted that Mr. Phillips proposed in any case to ask the Viceroy for permission to visit these two imprisoned Indian leaders although he considers it doubtful whether the Viceroy will respond favorably to any such request. He believes that the likelihood of a favorable reply would be enhanced if he were authorized to state that we hope his request will be granted.

³⁹ Not attached to file copy, but presumably a draft telegram of April 5 which read: "Your 257, April 2 and No. 262, April 3. For the reasons advanced in these two telegrams you may state that this Government hopes that your request for permission to visit Gandhi and Nehru will be granted." (845.00/1900)

Mr. Phillips seems to feel that the usefulness of his return to Washington for consultation would be limited if he had not been able to establish any contact with the Congress leaders. This is undoubtedly true.

Entirely aside from the fact that the Viceroy will probably not welcome such a request from Mr. Phillips and that he may not respond favorably to it, I nevertheless feel that the request should be made if for no other purpose than for the record. In view of our vigorous espousal of the principles of the Atlantic Charter and the twice repeated statement by the President that the Charter is applicable everywhere in the world, I think we would be in a very vulnerable position in the future if we adopt an overcautious attitude in situations of this kind merely because we fear "that the British might not like it".

If in the future the tide of Asiatic opinion threatens to turn against us because of our attitude in the Indian question, we may be glad to be able to cite our efforts in the present connection as evidence that we at least have tried to help even though our efforts prove to be unsuccessful.

WALLACE MURRAY

845.00/1933

Memorandum by the Under Secretary of State (Welles) to the Secretary of State

[WASHINGTON,] April 6, 1943.

For the Secretary: I seriously question the wisdom of sending this telegram.⁴⁰ Mr. Phillips is returning in the immediate future and it seems to me that we should talk over questions of basic policy such as this very fully after his return and not instruct him to take a step which would be interpreted by the British Government as implying a very definite modification of the policy we have pursued with regard to India during the past six months.⁴¹

S[UMNER] W[ELLES]

845.00/1911: Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 7, 1943—4 p. m.

[Received April 8—1:35 a. m.]

269. Yesterday I had a 3¾ hours talk with Jinnah, President of the All-India Muslim League. He insisted that Pakistan is in every

⁴⁰ Presumably the draft telegram of April 5, which was not sent; see footnote 39, p. 212.

⁴¹ Notation by the Secretary of State: "Hold."

way practicable and the only solution of Indian problem. Why should Hindus object he said when they would have as their share three-fourths of India including most of its wealth. In comparison Pakistan would be poor but would be a block of 40,000,000's comprising a state within the British Commonwealth.

Its close relations with Hindu India would be governed by treaties.

He regards the war as India's war and assured me that he himself stood ready to help in every way towards victory. Certainly, he added, Muslim Armed Forces are doing their duty.

In reply to my question as to what part Muslim League would play in a provisional representative coalition government at the center he said that assuming such a program came within present constitution League would gladly be represented on equal terms with Congress Party (5-5 is a figure of 10 mentioned). He doubted that Gandhi would cooperate, but at same time he admitted that no one knew Gandhi's present state of mind.

The Department will recollect that Jinnah has insisted in the past that British Government should give guarantee to right of Pakistan before cooperation could be expected. Having this in mind I suggested that since Gandhi was opposed to a divided India would not such a British announcement merely muddy the waters further and make it more difficult for Congress Party to cooperate at center. In circumstances I added could he not modify his position in interest of India's war effort.

Jinnah's reply should be noted. While he could not, he said, give me a straight answer he could assure me that he would not stand in way of any plan which would further war effort. Position of League was "merely defensive" which I interpreted as meaning that right to Pakistan must be maintained.

He cordially distrusts Gandhi, but admits that until Gandhi's attitude is known little progress can be made.

PHILLIPS

845.00/1915 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 11, 1943—noon.

[Received April 11—8:59 a. m.]

278. Since it became known that I am returning soon to Washington "to present preliminary report" there has been widespread press speculation and comment. The Nationalist Press in particular loses no opportunity to stress the fact that my report will be incomplete and even misleading since I have not had an opportunity to interview any of the leaders of the Congress Party. This may be in part merely

political tactics but at the same time a situation undoubtedly is being created in the public mind which may affect my future usefulness as an observer and reporter unless I am permitted to see Gandhi and Nehru.

The press repeatedly points out that I have had interviews of everyone of consequence except with leaders of largest political party.

I am anxiously awaiting your reply to my 257.⁴³

PHILLIPS

845.00/1919 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 14, 1943—noon.

[Received April 14—6:30 a. m.]

284. Viceroy is leaving Delhi on the 16th for tiger shooting at Dehradun and will not return until the 27th, the day before I plan to leave for the United States.

Not having received a reply to my 278, April 11 and previous telegrams, I am assuming that you do not feel in a position to authorize me to express Department's interest with regard to seeing Gandhi. I appreciate your position. On the other hand, I feel the importance for my own future usefulness here and for purposes of record to put the personal request to Viceroy. This done I would naturally accept his decision without comment.

Immediate reply is urgently requested.

PHILLIPS

845.00/1915 : Telegram

The Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

WASHINGTON, April 14, 1943—9 p. m.

199. Your 278, April 11. While I have no objection to your making the request referred to in the first paragraph of your 257, April 2, 4 p. m., on a purely personal basis, I believe it would be inopportune to adopt the suggestion in the final paragraph of that telegram.

HULL

⁴³ April 2, 4 p. m., p. 211.

845.00/1923: Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 16, 1943—6 p. m.

[Received April 16—3:52 p. m.]

292. There has been considerable comment in the Indian press on Mr. Welles' letter to the *New York Times*.⁴⁴ Both the Nationalist and Muslim League papers generally consider that it expressed the British viewpoint in which they have no confidence. All Indian journals emphasized that a solution of the Indian problem is of concern to the United Nations and is necessary in furtherance of the war effort and as evidence of sincerity of professed war aims of the United Nations. Jinnah's paper declared that "if the promises of freedom to India made during the last World War provide any bitter memories, enthusiasm cannot be whipped up by the evasive American underwriting of British platitudes".

A complete summary of press comment is being forwarded by air mail.

PHILLIPS

845.00/1925: Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 19, 1943—noon.

[Received April 19—7:38 a. m.]

295. Upon invitation I attended a meeting of the committee of all India newspaper editors representing newspaper[s] in nearly every province.

The following points were strongly made:

(1) The U. S. could and should make some move in interests of war to break present political deadlock. I explained our limitations.

(2) Political parties are helpless to make any move toward a settlement since all access to Gandhi is denied and Gandhi's participation is essential for any settlement.

(3) While Indians are sympathetic to professed aims of United Nations, political parties are not willing to lend any assistance toward effort since they are now convinced that India is to be excluded from benefits of such aims. India is therefore not in war except for her mercenaries.

⁴⁴ This was a letter dated April 2 and published in the *New York Times* on April 11, 1942, which the Under Secretary of State wrote publicly to Professor Ralph Barton Perry of Harvard University, in answer to a letter of Professor Perry's, written February 20, criticizing the Department of State and its policies in certain areas of the world. One of these areas was India, and in his answer the Under Secretary of State repudiated a role of "active intervention" by the United States in the Indian situation.

(4) If Viceroy will not allow representative of President to see Gandhi then Indians will lose faith in ability of U. S. to be of any assistance. Likewise they will lose confidence in my capacity to accomplish anything.

Again I endeavored to explain our limitations. But it was clear from attitude of those present that issue of seeing Gandhi and Nehru has become in Indian mind test of success or failure of my mission. I shall see Viceroy at end of this week and will make my request.

PHILLIPS

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the President^{44a}

NEW DELHI, April 19, 1943.

DEAR MR. PRESIDENT: NOW that I shall soon be heading for Washington, in accordance with your instructions, I shall try to summarize briefly some generalizations with regard to the situation here as I see it. They do not make a happy picture and I am sorry that I cannot be the bearer of more encouraging views. But, nevertheless, I shall give them to you for whatever they may be worth.

India is suffering from paralysis, the people are discouraged and there is a feeling of growing hopelessness. The political leaders remain hostile to one another, although they maintain that if the British would open the door to negotiation they could manage to pull together on a provisional basis for the duration of the war and to prepare for post-war responsibilities. More and more they realize that constitution making is a serious business and will have to be tackled in a more hopeful atmosphere than the present. Meanwhile, there is very little thought given to the war among Indians. India is in a state of inertia, prostration, divided counsels and helplessness, with growing distrust and dislike for the British, and disappointment and disillusion with regard to Americans. Indians say that while they are in sympathy with the aims of the United Nations, they are not to be allowed to share the benefits of such aims, and they feel, therefore, that they have nothing to fight for. Churchill's exclusion of India from the principles of the Atlantic Charter is always referred to in this connection.

The British are sitting "pretty". They have been completely successful in their policy of "keeping the lid on" and in suppressing any movement among the Indians which might be interpreted as a move towards independence. British armies dominate the picture and the fact that large Indian forces have been moved out of the country is a further guarantee of the British power and purpose to dominate

^{44a} Copy obtained from the Franklin D. Roosevelt Library, Hyde Park, N.Y.

the scene, according to their own views. Twenty thousand Congress leaders remain in jail without trial and the influence, therefore, of the Congress Party is diminishing, while that of the Muslim League is growing.

At the same time, the prestige of British justice is on the decline, because of the refusal of the Government to allow the political prisoners to speak in their own defense, which is not the way, Indians believe, that British justice is administered in England.

The British position becomes clear. There is to be no change, no effort to open the door to negotiation among the leaders, no preparation for the future until after the war, and that date is so uncertain that I believe the Indians generally feel there will be no material changes in their favor even after the war. For it will always be easy to find, in this vast country, plenty of justification, if one is looking for excuses, to preserve the *status quo* now and in the years to come.

The British maintain that the present situation is wholly satisfactory for the conduct of the war, and that the country is comparatively quiet, thanks to their energetic measures. Indian indifference and even hostility, they say, will make no difference, for British forces are able to preserve law and order and crush any movement dangerous to the war effort. It is true that comparative quiet prevails throughout the country, but, in my opinion, it is a quiet pregnant with disturbing potentialities.

But it is hard to discover, either in Delhi or in other parts of India, any pronounced war spirit against Japan, even on the part of the British. Rather, it seems to me, the British feel that their responsibility lies on this side of the Burma-Assam frontier. Presumably they will join us in our efforts in Burma, and during the last month there have been British expeditions into Arakan, which, because of their feebleness, have been checked and routed by the Japanese. As I see it, unless the present atmosphere is changed for the better, we Americans will have to bear the burden of the coming campaign in this part of the world and cannot count on more than token assistance from the British in British India.

As time goes on, Indians are coming more and more to disbelieve in the American gospel of freedom of oppressed peoples. They have long ago lost any confidence in words and phrases, for they have had plenty of such reassuring and friendly comments emanating from high British sources and from agreeably framed speeches in Parliament. To them, America has more recently merely repeated the old British assurances without, however, indicating any willingness to go further, even at moments when the public expected some evidence of willingness to take action in support of the well-known American principles. Again looking at it as always from the Indian point of view, America has allowed such moments to slip by in silence, and

this has convinced them the more that America stands solidly with the British in the past, present and future Indian policies of the British Government.

We here ask ourselves, day after day, "Will there be a new Viceroy next autumn, who will bring new hope to the people of India? Will he be a man of human sympathies, whom Indian leaders feel that they can approach, confident of his desire to help them solve their domestic problems?" If this is not to be, then there is no hope of improvement, and the picture will be dark indeed. My own presence here under such conditions might easily be misinterpreted and misunderstood, and would not help our own prestige in India.

In conclusion, may I add one more thought which is expressed without any official confirmation but which nevertheless is constantly in my mind. India and China and Burma have a common meeting ground in their desire for freedom from foreign domination. In spite of all we read in the press about the magnificence of the Chinese military effort, the leadership and forcefulness of the Generalissimo,^{44b} the actual picture as viewed from here is distressing and disturbing. Chinese apathy and lack of leadership and, moreover, Chinese dislike of the British, meet a wholly responsive chord in India, where, as I have said, there is little evidence of war effort and much evidence of anti-British sentiment. Color consciousness is also appearing more and more and under present conditions is bound to develop. We have, therefore, a vast bloc of Oriental peoples who have many things in common, including a growing dislike and distrust of the Occidental.

I see only one remedy to this disturbing situation, and that is, to try with every means in our power to make Indians feel that America is with them and in a position to go beyond mere public assurances of friendship.

It was for this reason that I have laid so much stress on asking the Viceroy for permission to see Gandhi. If the record shows that I have never made a serious effort to obtain the views of the Congress Party from Gandhi, then indeed my future usefulness here is at an end. For it would be assumed that I have not been interested in the picture as a whole and have been satisfied to give my Government a one-sided and incomplete report of the situation. My stock would fall very low indeed, unless it were known that I had, at least, made the effort. I shall, therefore, make my request of the Viceroy when I see him at the end of this week.

May I add that I fully appreciate the position of our Government in its relation to the British Government and the difficulties involved in carrying out, during the war, such ideas as I have indicated. But I have felt that you would wish me to express my views of the situation, as seen from here.

^{44b} Chiang Kai-shek.

I need not assure you, Mr. President, that I am eagerly looking forward to my return to Washington, and to my talks with you and the State Department.

Sincerely yours,

WILLIAM PHILLIPS

845.00/1929 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 25, 1943—3 p. m.

[Received April 25—8:21 a. m.]

307. During the last 2 days I have been visiting the Viceroy at a shooting camp and have discussed all angles of the Indian situation.

With his consent I am saying this afternoon at a press conference of the Indian and American correspondents that naturally I should like to have met and talked with Mr. Gandhi; that I have requested the appropriate authorities for permission to do so and have been informed that they were unable to grant the necessary facilities.

PHILLIPS

123 P 54/597 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, April 29, 1943—noon.

[Received 8 p. m.]

318. Mr. Phillips accompanied by Major Heppner⁴⁵ and Berry⁴⁶ departed by air this morning for Karachi en route to the United States. I have assumed charge.

MERRELL

845.00/2108

Mr. William Phillips, Personal Representative of President Roosevelt to India, to the President

[WASHINGTON, May 14, 1943.]

DEAR MR. PRESIDENT: May I add a few words to what I said to you on Tuesday afternoon when I had the pleasure of giving you an oral report of my impressions on the Indian situation.

Assuming that India is bound to be an important base for our future operations against Burma and Japan, it would seem to me of highest importance that we should have around us a sympathetic India rather than an indifferent and possibly a hostile India. It would appear that we will have the primal responsibility in the conduct of the war against

⁴⁵ Maj. Richard Heppner, personal assistant to Ambassador Phillips.

⁴⁶ James Lampton Berry, Secretary in the American Mission at New Delhi.

Japan. There is no evidence that the British intend to do much more than give token assistance. If that is so, then the conditions surrounding our base in India become of vital importance.

At present the Indian people are at war only in a legal sense as, for various reasons, the British Government declared India in the conflict without the formality of consulting Indian leaders or even the Indian legislature. Indians feel that they have no voice in the Government and therefore no responsibility in the conduct of the war. They feel they have nothing to fight for as they are convinced that the professed war aims of the United Nations do not apply to them. The British Prime Minister, in fact, has stated that the provisions of the Atlantic Charter are not applicable to India, and it is not unnatural therefore that the Indian leaders are beginning to wonder whether the Charter is only for the benefit of the white races. The present Indian Army is purely mercenary and only that part of it which is drawn from the martial races has been tried in actual warfare and these martial soldiers represent only thirty-three percent of that Army. General Stilwell ⁴⁷ has expressed to me his concern over the situation and in particular in regard to the poor morale of the Indian officers.

The attitude of the general public toward the war is even worse. Lassitude and indifference and bitterness have increased as a result of the famine conditions, the growing high cost of living and the continued political deadlock.

While India is broken politically into various parties and groups, all have one object in common, eventual freedom and independence from British domination.

There would seem to be only one remedy to this highly unsatisfactory situation in which we are unfortunately but nevertheless seriously involved, and that is to change the attitude of the people of India towards the war, make them feel that we want them to assume responsibilities to the United Nations and are prepared to give them facilities for doing so, and that the voice of India will play an important part in the reconstruction of the world. The present political conditions do not permit of any improvement in this respect. Even though the British should fail again it is high time that they should make a new effort to improve conditions and to reestablish confidence among the Indian people that their future independence is to be granted. Words are of no avail. They only aggravate the present situation. It is time for the British to act. This they can do by a solemn declaration from the King Emperor that India will achieve her independence at a specified date after the war and as a guarantee of good faith in this respect a provisional representative coalition government will be established at the center and limited powers transferred to it.

⁴⁷ Lt. Gen. Joseph W. Stilwell, Commanding General, U. S. Forces in India.

I feel strongly, Mr. President, that in view of our military position in India we should have a voice in these matters. It is not right for the British to say "this is none of your business" when we alone presumably will have the major part to play in the future struggle with Japan. If we do nothing and merely accept the British point of view that conditions in India are none of our business then we must be prepared for various serious consequences in the internal situation in India which may develop as a result of despair and misery and anti-white sentiments of hundreds of millions of subject people.

The peoples of Asia—and I am supported in this opinion by other diplomatic and military observers—cynically regard this war as one between fascist and imperialist powers. A generous British gesture to India would change this undesirable political atmosphere. India itself might then be expected more positively to support our war effort against Japan. China, which regards the Anglo-American bloc with misgiving and mistrust, might then be assured that we are in truth fighting for a better world. And the colonial peoples conquered by the Japanese might hopefully feel that they have something better to look forward to than simply a return to their old masters. Such a British gesture, Mr. President, will produce not only a tremendous psychological stimulus to flagging morale through Asia and facilitate our military operations in that theater, but it will also be proof positive to all people—our own and the British included—that this is not a war of power politics but a war for all we say it is.

Sincerely yours,

WILLIAM PHILLIPS

845.00/1961 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, May 26, 1943—6 p. m.

[Received 11:34 p. m.]

365. The following communiqué was issued this afternoon by the Government:

"The Government of India have received request from Mr. Gandhi to forward a short letter from himself to Mr. Jinnah expressing a wish to meet him. In accordance with their known policy in regard to correspondence or interviews with Mr. Gandhi, the Government of India has decided the letter could not be forwarded and have so informed Mr. Gandhi and Mr. Jinnah. They are not prepared to establish facilities for political correspondence or contact to a person detained for promoting an illegal mass movement which is not disavowed and thus gravely embarrassing India's war effort at a critical time. It rests with Mr. Gandhi to satisfy the Government of India that he can safely be allowed once more to participate in the public affairs of this country and until he does so the disabilities from which he suffers are of his own choice."

In his speech at the annual meeting of the Muslim League in April Jinnah said ["Nobody would welcome it more than myself if Mr. Gandhi is even now really willing to come to a settlement with the Muslims on the basis of Pakistan. . . ."⁴⁸ If he has made up his mind what is there to prevent Mr. Gandhi from writing direct to me".

MERRELL

845.00/1962 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, May 26, 1943—7 p. m.

[Received 9 : 52 p. m.]

366. Reference my No. 365, May 26, 6 p. m. It is presumed that Gandhi's letter was a response to Jinnah's statement. The communiqué appears to be an additional indication that the Government of India does not desire a solution of the deadlock.⁴⁹

MERRELL

845.00/1967 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, May 27, 1943—4 p. m.

[Received 9 p. m.]

367. A Reuter's story under a Washington dateline published in the local papers today says that Mr. Phillips will return to India in a few weeks⁵⁰ and that little significance has been attached to his meeting with Churchill.⁵¹ The last paragraph of the story reads:

"There have been some attempts in Indian quarters here to prejudice the coincidence of the presence of Mr. Churchill and Mr. Phillips in Washington, an opportunity to raise Indian political questions, but these failed to impress responsible US officials."

The prevailing view is that India is still the business to be settled between Britain and India with a corresponding emphasis on New

⁴⁸ Omission indicated in the original telegram.

⁴⁹ On May 27 the Adviser on Political Relations (Murray) forwarded this telegram to Under Secretary of State Welles and to the Secretary of State with the comment: "As you will note, the attached telegram, which has just come in from New Delhi, confirms the views which I expressed to you in a memorandum sent to you early this morning [not found in Department files] to the effect that the present attitude of the Government of India is to prevent rather than effect a solution of the political deadlock in India."

⁵⁰ Actually Ambassador Phillips, after a period of consultation with the Department, went on leave from June 22 to September 13; however, during that period he was called upon by the Department on several occasions for consultation.

⁵¹ British Prime Minister Winston Churchill was in Washington from May 11 to May 26 for the Third Washington Conference; correspondence relating to this Conference is scheduled for publication in a subsequent volume of *Foreign Relations*.

Delhi as the center of any political discussions. One high official told Reuter's "As British ally our only immediate concern is to ensure efficient prosecution of the war wherever waged".

*Dawn*⁵² carried the story under the following caption "Phillips fails to impress US officials".

MERRELL

845.00/1981 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, June 15, 1943—3 p. m.

[Received June 16—3:42 a. m.]

403. Nehru's sister, Mrs. Pandit, and his daughter Mrs. Indira Gandhi who were ill are reported to have been released unconditionally from jail.

MERRELL

845.001/78 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, June 19, 1943—5 p. m.

[Received June 20—5:31 a. m.]

415. While it is still too early to obtain a comprehensive picture of the public's reaction to Wavell's appointment as Viceroy,⁵³ I believe that it will be one of gloom on the part of all politically minded Indians with the possible exception of the Muslims as it will be interpreted as a continuation of the *status quo* under even more rigid circumstances. Indian Nationalists had hoped that the new incumbent would at least make a fresh start and therefore would have preferred almost any other appointment. There has been no military administrator in India since the days of the East India Company and the appointment will undoubtedly be considered by many as the imposition of military rule for 5 years. There are only two members of the Viceroy's Council in Delhi at present but they are both reported to be extremely depressed, one of them having expressed a desire to resign.

The appointment of Auchinleck⁵⁴ as Commander-in-Chief on the other hand will be well received; it will be hoped that he will exert a liberalizing and humanizing influence on the new Viceroy.

MERRELL

⁵² Prominent Moslem newspaper, organ of the Moslem League leader, Jinnah.

⁵³ Field Marshal Sir Archibald P. Wavell, Commander in Chief, British Forces in India; Marshal Wavell's appointment, and his simultaneous elevation to the peerage, was announced in the press on June 19, 1943.

⁵⁴ Gen. Sir Claude J. E. Auchinleck, formerly General Officer Commanding British Forces, Middle East; General Auchinleck was succeeding to the position vacated by the Viceroy-designate.

123 P 54/608 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, July 2, 1943—midnight.

[Received July 3—10 : 41 a. m.]

448. Commander-in-Chief⁵⁵ in conversation with Lane⁵⁶ expressed great regret Mr. Phillips not returning. To reply that Mission is informed only that return deferred to cool weather, Auchinleck said in warmest terms he greatly appreciated Mr. Phillips not only for personal qualities but because of his views on requirements of Indian situation. He displayed accurate knowledge of them and of the lack of sympathy toward some of them in high quarters here and London and strongly hoped Mr. Phillips would return and persevere. He appeared to imply that he would endeavor to provide not only sympathy but would perhaps find means of collaboration.

In view of Commander-in-Chief's reputation for liberal views, popularity and apparent desire to contribute to easing tension in India, Mr. Phillips will presumably wish to consider this obviously deliberate expression of his attitude.

However, while the sincerity of the Commander-in-Chief is unquestioned it is not believed that he can exert decisive influence on the men in London and Delhi who determine British policy in regard to India. The Mission has not received any indication that a solution of the political deadlock is probable.

MERRELL

845.00/2107 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, July 15, 1943—5 p. m.

[Received 8 : 27 p. m.]

468. The following statement is attributed to Sapru as his considered view of the general situation in India, "Jinnah is not going to get Pakistan and India is not going to get self-government".

In a conversation with Weightman,⁵⁷ Acting Secretary External Affairs, this morning, my mention of this statement elicited an expression of his profound regret that promises had ever been made and a prediction that "if they were kept an awful mess would result".

This is the first instance which has come to the Mission's attention of a British official implying that British commitments regarding India might not be kept.

MERRELL

⁵⁵ General Auchinleck.⁵⁶ Clayton Lane, Secretary of the American Mission at New Delhi.⁵⁷ H. Weightman, Joint Secretary for the Government of India in the External Affairs Department.

123 P 54/614 : Telegram

The Secretary of State to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, July 16, 1943—4 p. m.

315. Your 448, July 2. You or Lane may say, in your discretion, to the Commander in Chief that his reference to Ambassador Phillips and to the latter's return to India has been brought to the attention of Mr. Phillips, who has asked you to express his high appreciation of the General's friendly sentiments.

HULL

123 P 54/616 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, September 8, 1943—4 p. m.

[Received September 8—2:05 p. m.]

621. Officers of the Mission are being constantly asked by British and Indians whether Ambassador Phillips is returning to India. At the suggestion of Mr. Phillips, the uniform reply has been that he would not return during the hot weather. As the hot season is drawing to a close, this explanation is beginning to wear a bit thin and inquirers are beginning to expect information as to approximate date of arrival. As a decision in this matter will presumably be taken in the relatively near future, it is suggested that, if unfortunately developments do not occur which the Department and Mr. Phillips feel would justify his return to India, adverse criticism might be minimized here if the Department were to issue some such statement as the following:

"In view of recent developments in Italy⁵⁸ and in view of the fact that Mr. Phillips is an expert on Italian affairs, the U. S. Government does not feel that it can spare him to return to India at this time."

MERRELL

123 P 54/620 : Telegram

The Secretary of State to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, September 8, 1943—9 p. m.

443. The following statement, which is self-explanatory, was issued to the press September 8:

"In response to inquiries the Secretary today said that Mr. William Phillips has been asked to proceed to London for a temporary period in connection with special work for the War Department. This

⁵⁸ For correspondence relating to the surrender of Italy, see vol. II, pp. 314 ff.

temporary work has no connection with Mr. Phillips' present assignment as the President's Personal Representative at New Delhi in which capacity he will continue to represent the President."

HULL.

845.001/83

The Ambassador in the United Kingdom (Winant) to the Secretary of State

No. 11267

LONDON, September 20, 1943.

[Received October 1.]

SIR: I have the honor to enclose⁵⁹ herewith, as received today from the India Office, the text of the speech made by Field Marshal Viscount Wavell, Viceroy-Designate to India, at a large luncheon given in his honor in London on September 16 by The Pilgrims. There are also enclosed the fullest news account (*Daily Telegraph*) carried in the press here about the luncheon, and one of the many friendly editorials (*Daily Herald*) on Lord Wavell's remarks. The press coverage of the occasion was reported in the Embassy's telegram 6227 of September 17.⁶⁰

It is clear that great effort and great care is being directed by the British Government toward taking advantage of the designation of Lord Wavell as Viceroy to improve relations with and concerning India. It is noteworthy that since his designation he has been pushed forward here so that Americans can get an impression of him. The impression which he makes on people is almost always an extremely favorable one: a man of simplicity, very great sincerity, broad experience, human sympathy, wide reading, modesty, faith in the possibility of betterment, and devotion to solid reform and progress. He seems to combine capability and rare strength of character.

Not only does a large function in his honor by The Pilgrims, a society devoted to good relations among the English-speaking peoples, indicate the importance attached to his appointment by reason of its possible effect upon opinion in the United States; earlier, in July, Mr. Eden was host at a small and intimate luncheon which ranking officers of the United States Army, Navy and Embassy attended where opportunity was provided for Lord Wavell to show simply and informally the attitude which marks his assumption of duties as Viceroy. It would seem probable that a major purpose of the British Government in selecting Wavell is the desire to bring about a more approving American public opinion with regard to British handling of the India question.

⁵⁹ Enclosures mentioned in this despatch not printed.

⁶⁰ Not printed.

A few aspects of Lord Wavell's statements concerning India stand out as noteworthy:

(1) He is careful to give full credit for the large assistance in men and goods and services which India has provided in the present war at critical times.

(2) While acknowledging the continuing needs of prosecution of the war against Japan, he shows a frank appreciation of the economic, social and political trials of India.

(3) In favoring peacetime spending in wartime volume he asserts that in India the evils of poverty, lack of education, and disease have to be met on possibly a greater scale than anywhere else.

Although it cannot be said that Lord Wavell has committed himself, as new Viceroy to India, to any specific program of reform, it can nevertheless be said that he gives a convincing appearance of going to his duties with an open mind and fervent desire to improve India's lot, so far as his own personal attitude is concerned. As to the degree to which he may be able to swing British policy in the direction of his own views, there is little evidence on which to base an appraisal; but he is being launched in his new function with unusual official efforts to indicate full support.

Respectfully yours,

For the Ambassador:

W. J. GALLMAN

First Secretary of Embassy

Mr. William Phillips, Personal Representative of President Roosevelt to India, to the President^{60a}

LONDON, September 30, 1943.

DEAR MR. PRESIDENT: I called this morning upon Lord Wavell to pay my respects, as he is leaving next week for Delhi. I came away feeling more hopeful than I had expected.

In his recent speech before the Pilgrim Society, he had made a very friendly reference to India, adding that "all classes and sections of opinion in this country (England) are firmly united in the desire to give every possible assistance to India in her aspirations to full freedom." I complimented him on his speech and expressed the hope that he would find it possible to implement his reference to India's aspirations.

I thought it a good occasion to tell him of our interest in India's problems and that you stood ready to be of help, if help was desired, in the event that steps might be undertaken to break the present political deadlock. He asked me whether I was planning to return to India. I explained your position, which I understood to be that if I could

^{60a} Copy obtained from the Franklin D. Roosevelt Library, Hyde Park, N.Y.

contribute, as the representative of the President, you might ask me to return, otherwise I would not do so. Lord Wavell expressed his appreciation, indicating without actually saying so, that he might be glad of such help. He added that he would let us know if an opening presented itself when American assistance would be useful.

He talked of the difficulties but he admitted rather significantly that they alone should not prevent a genuine effort, if such seemed feasible.

I told him that we thoroughly understood the difficulties; that we were sympathetic to the Indian plea for independence by reason of our historical background; that we were more than ever interested now because of the presence of American forces and that we felt the importance of holding India friendly to the white races rather than to allow a situation to develop which might tend to turn her sympathies more and more in the direction of the East.

I expressed the hope personally, that he would have a try at breaking the deadlock and even though he failed, I thought the mere try would have a beneficial effect.

While Wavell may not be, and probably is not, carrying an olive branch from Churchill, there was nothing in his attitude to indicate the same rigidity of policy as that of Lord Linlithgow. In manner he is slow and unapproachable but he is a good and a highly-principled man, and we can hope at least, that he will make an effort at collaboration with the Indian political leaders and see whether anything can be done along the lines of negotiation. And that is about all that can be expected in the immediate future.

The American and British Members of Cossac^{60b} have given me a cordial welcome and I am gradually learning to understand their language. I only hope that I may be able to contribute something towards the great undertaking.

With kindest remembrances,

Sincerely yours,

WILLIAM PHILLIPS

845.00/2157

*Memorandum by the Adviser on Political Relations (Murray)*⁶¹

[WASHINGTON,] October 4, 1943.

I think you will wish to note the following excerpt regarding the present situation in India contained in a letter of September 17 addressed to me by Mr. Lampton Berry, who is generally regarded as the most competent political officer attached to the Mission at New Delhi.

^{60b} Short title for Chief of Staff, Supreme Allied Commander.

⁶¹ Addressed to the Secretary of State, the Assistant Secretary of State (Berle), and the Under Secretary of State (Stettinius).

Not since I have been in India have I seen such utter hopelessness among Indians of all shades of opinion. I was astonished upon my return here to find all my Indian friends in such a complete state of depression. Wavell's appointment as Viceroy and what they consider as Mr. Phillips' failure to impress officials in Washington has led them to conclude that there is no hope for their country. Failure of the British to make any conciliatory gesture and the continued refusal of the Viceroy to permit contact with Gandhi to enable the Indians themselves to attempt to make such a gesture simply confirms their long-held suspicions that the British have no intention whatever of transferring power to India either now or after the war. No Indian and few Britishers that I have talked to believe that Mr. Phillips will return to India. The once almost unanimous Indian view that the United States would exercise its immense power for the practical application of liberal ideals now and after the war is definitely diminishing. Churchill is generally looked upon as the dominating force.

WALLACE MURRAY

845.00/2152 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, October 8, 1943—9 a. m.

[Received 3:53 p. m.]

726. The following comment on the political atmosphere here on the eve of the arrival of Wavell may be of interest to the Department:

1. The appointment of Wavell whom Indians generally regard as a reactionary of the old school was all that was required to convince them that Britain has no intention of trying to reach a settlement with the national leaders. Opinion appears about equally divided between those who think Wavell will do nothing but follow Linlithgow's policy and those who believe he may make some half-hearted offer such as complete Indianization of executive councils which would be acceptable to no representative party but rejection of which would enable Britain to say (particularly for American consumption) that its offer of cooperation had again been spurned.

2. Indians in general are very disappointed that Ambassador Phillips' report to the President has produced no tangible results in favor of India. They conclude that he failed to convince either American officials or Churchill of the desirability of enlisting Nationalist India's full support in war effort of United Nations.

3. Government of India's mishandling of food problem has added tremendously to bitterness already created by Linlithgow's attitude toward political situation during past 12 months.

4. Even moderates who a few months ago were holding meetings and passing resolutions calling on Britain to make a move to end deadlock or allow someone to see Gandhi for this purpose have now lapsed into

a silence of utter hopelessness. Only an occasional appeal from the optimist Rajagopalachari breaks the political gloom which has settled on the country.

5. Anti-British feeling has reached a new high and American prestige here has suffered a decided fall as most nationally minded Indians have concluded that the present war, as far as East is concerned, is being fought for preservation of white domination.

6. Despite foregoing or perhaps because of it, it is believed that most Nationalists outside jail are in a better mood to reach a compromise settlement with Britain now along lines of Cripps' proposals than they were 12 months ago if for no other reason than to assure presence of popular leaders at peace conference. It is, of course, impossible to know attitude of leaders who are in prison. However, according to Rajagopalachari, who is in a position to know, period of incarceration always makes Indian leaders more willing to compromise.

MERRELL

845.00/2155 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, October 18, 1943—3 p. m.

[Received October 18—11:38 a. m.]

757. The Viceroy in a farewell off the record interview with an Indian journalist whom he has known for past 15 years, stated it was his firm conviction that British must continue rule India for another 50 years. It would take at least that long, he said, for Indians to learn to govern themselves.

MERRELL

845.001/85 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, October 19, 1943—6 p. m.

[Received 8:03 p. m.]

765. Linlithgow departed by air this morning and Wavell takes oath as Viceroy tomorrow morning.

MERRELL

PROBLEMS CONCERNING THE STATUS OF THE MISSION AT NEW DELHI AND THE ORGANIZATION OF AMERICAN WARTIME OFFICIAL REPRESENTATION IN INDIA

121.5445/8 : Airgram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, January 23, 1943.

A-379. Department's airgram A-305, December 22, 1942, 7:20 p. m.,⁶² concerning the War Department's desire to assign a Military Attaché and five Assistant Military Attachés to Mission in New Delhi.

Following is No. 984, dated December 29, from New Delhi :

"External Affairs Department anticipates that assignment of Military and Assistant Military Attachés will be agreeable but the matter is being referred to the War Office in London."

Please inquire whether the British authorities have come to any decision in regard to these assignments and report results.

HULL

121.5445/10 : Telegram

*Mr. William Phillips, Personal Representative of President Roosevelt
in India, to the Secretary of State*

NEW DELHI, January 31, 1943—noon.

[Received 3:06 p. m.]

100. The Mission's 984, December 29th at 6 p. m.,⁶³ paragraph E [*sic*]. External Affairs Department now replies that the title Military Attaché implies the existence of an Embassy or Legation, the establishment of which is at present precluded by a constitutional difficulty and that it suggests after consultation with London the practical purpose in view might be achieved by designating the officers concerned as military observers with the personal status of Military Attaché or Assistant Military Attachés.

I see no objection to this procedure.

PHILLIPS

⁶² Not printed.

⁶³ Quoted in airgram No. A-379, January 23, to the Ambassador in the United Kingdom, *supra*.

701.0645/2

The Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

No. 5

WASHINGTON, February 1, 1943.

SIR: Reference is made to the Mission's despatch no. 31 of September 7, 1942,⁶⁴ entitled "Exemptions accorded Mission", with which was enclosed a copy of a note from the External Affairs Department of the Government of India listing certain exemptions granted to you and the officers of your staff.

With respect to free entry privileges and exemption from customs duties enjoyed by the Agent General for India at this capital and the members of his staff, reference is made to the Department's telegram no. 679 of November 25, 1942.⁶⁵

With reference to exemptions from taxes, you are informed that the Agent General for India and the officers of his staff whose names appear in the *Diplomatic List* are granted free diplomatic automobile license plates and free drivers' licenses. They are also exempted from payment of personal property tax on their automobiles and other property. Subordinate and clerical employees whose names are included in the *List of Employees in the Embassies and Legations in Washington not Printed in the Diplomatic List* do not receive free license plates but are exempted from the personal property tax on their automobiles and other property if they are not American citizens.

The Agent General for India and the members of his staff, including the subordinate and clerical employees who are not American citizens, are also exempted from the annual Federal use tax on automobiles.

Some months ago the rule to permit diplomatic and consular officers and subordinate and clerical employees of embassies and legations to obtain motor fuel free of tax was rescinded. Exemption from the Federal tax has now been restored. The Department of State is endeavoring to obtain restoration of the exemption from the District of Columbia tax on motor fuel for such persons.

The Agent General for India and the members of his staff, including subordinate and clerical employees who are not American citizens, also enjoy exemption from the various Federal manufacturers' excise taxes and the retailers' excise taxes. They also enjoy exemption from the tax on the transportation of persons and from the taxes on telephone, telegraph, and radio and cable messages.

⁶⁴ Not printed.

⁶⁵ Not printed; it reported that free entry privileges into the United States were accorded to the Indian Agent General and the Secretaries of the Agency General (611.45241/74).

Exemption from similar taxes in India should be requested for the members of your mission.

Very truly yours,

For the Secretary of State:
G. HOWLAND SHAW

121.5445/7: Airgram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, February 10, 1943—12: 15 p. m.

A-420. Department's airgram A-305, December 22, 1942.⁶⁶ War Department has now been informally advised by the British Military Attaché in Washington that the War Office, the Foreign Office, and the India Office concur in the opinion that it would seem to be inadvisable to confer diplomatic status, other than personal, upon officers mentioned in airgram A-305 of December 22, 1942 to London, and suggested as an alternative that they be attached to the Personal Representative of the President of the United States at the American Mission, New Delhi, India in the same personal capacity which he enjoys as Chief of Mission.

Upon this advice the War Department wishes to drop the matter and confirms that the Osmun Group, now made up of Colonel Osmun, Lieutenant Colonel Graybeal, Lieutenant Colonel Lash, and Major Cutting, will continue in the status of Military Observers. The Mission at New Delhi has been informed. Advise appropriate authorities.

HULL

123 B 21/334: Telegram

*The Secretary of State to Mr. William Phillips, Personal
Representative of President Roosevelt in India*

WASHINGTON, February 24, 1943—10 p. m.

119. The Department is contemplating assigning to New Delhi Joseph W. Ballantine, Foreign Service Officer of Class I, whose designation would ordinarily be Counselor of Embassy or Legation. In your opinion would Counselor of Mission be appropriate and to the Government of India an acceptable designation for him?

The Department is also contemplating assigning to New Delhi Frank S. Williams, Foreign Service Officer of Class III, with a view to his performing functions usually undertaken by a Commercial Attaché. It is also anticipated that he will be responsible under the Chief of Mission for the coordination of the work of the various

⁶⁶ Not printed; but see airgram No. A-379, January 23, to the Ambassador in the United Kingdom, p. 232.

American civilian agencies in India. If no objection is perceived the Department plans to designate him Counselor of Mission for Economic Affairs.

In the same connection the Department feels that Secretaries of the Mission might appropriately have the designation of First, Second or Third Secretary. While it is appreciated that corresponding officers of the Indian Agency General in Washington are also officers of the British Embassy and as such rank as First, Second or Third Secretaries, it has been noted that they customarily use these titles in connection with their duties at the Agency General.

HULL

123 B 21/335 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 26, 1943—6 p. m.

[Received February 26—3:26 p. m.]

190. I have discussed with the Secretary for Foreign Affairs⁶⁷ the points raised in your 119, February 24, 10 p. m., which meet with my cordial approval.

Personally he sees no objection to designation of Ballantine and Williams as Counselors of Mission but will refer the matter to the Viceroy.⁶⁸ He added that the latter might feel the necessity of obtaining approval from London.

PHILLIPS

740.00118 European War (1939)/1807 : Telegram

The Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

WASHINGTON, March 18, 1943.

161. War Department desires to rescind its decision mentioned in Department's 81, February 9⁶⁹ and to obtain for its Observers mentioned therein the status and designation of "Military Observers with Personal rank of Military Attaché and Assistant Military Attachés." Please inquire whether these assignments will be agreeable to Government of India. Telegraph. Embassy at London informed.

HULL

⁶⁷ O. K. Caroe, Secretary to the Government of India in the External Affairs Department.

⁶⁸ At this time the Marquess of Linlithgow.

⁶⁹ Not printed; see airgram No. A-420, February 10, to the Ambassador in the United Kingdom, p. 234.

740.00118 European War (1939)/1885 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, March 26, 1943.

[Received March 26—10:08 a. m.]

240. Department's 161, 18th. Government of India has now informed Mission that assignments will be agreeable.

PHILLIPS

123 B 21/338 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, March 27, 1943—4 p. m.

[Received 10:29 p. m.]

242. When Merrell ⁷⁰ inquired of External Affairs yesterday for the fourth or fifth time as to whether there was any reply regarding the designation of Ballantine and Williams as Counselors of Mission the Joint Secretary ⁷¹ replied that the matter was being considered in London along with other assignments to Delhi (my 190, February 26, 6 p. m.). Weightman indicated informally and incidentally that the expansion of American representation in general and of the American Mission in particular was causing concern among British officials in India.

It is believed that the British, in India at least, feel that the United States is taking too great an interest in India both politically and economically and are worried about the possibility of important foreign representations encouraging Indian Nationalists in their aspirations for independence and about American competition in post-war trade.

PHILLIPS

124.45/58 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 9, 1943—6 p. m.

[Received 6:18 p. m.]

274. Acting Secretary of External Affairs has now replied that, if such additional and high ranking officers are really desired, Govern-

⁷⁰ George R. Merrell, Officer in Charge at New Delhi.

⁷¹ H. Weightman.

ment of India has no objection to their assignment. He explained, however, that on account of present constitutional position and due to possibility of setting embarrassing precedents Government does not feel that it can agree to use of designations ordinarily only used in Embassies or Legations. This applies to "First, Second, and Third Secretaries" as well as "Counselors". He added that as constitution ⁷² stands at present it is impossible to send or receive missions with full diplomatic status and admitted "off the record" that above decision had been made in London (my telegram 242, March 27, 4 p. m.)

PHILLIPS

123 Lane, Clayton/116 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 16, 1943—2 p. m.

[Received 4:48 p. m.]

288. Reference Department's 196, April 13 ⁷³ to Calcutta designating Lane ⁷⁴ as Commercial Attaché, New Delhi.

Patton ⁷⁵ and Lane agree with me that the title Commercial Attaché might cause unfortunate impressions and press speculation about American economic penetration. It will be recalled that the Government of India, as reported in my 274, April 9, 6 p. m., did not agree to the designation of officers as "Counselors" or First, Second, and Third Secretaries.

May I suggest that Lane be designated "Secretary" which will raise no new issue.

PHILLIPS

123 Lane, Clayton/118 : Telegram

The Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

WASHINGTON, April 26, 1943—9 p. m.

216. Your 288, April 16, 2 p. m. Lane's designation as Commercial Attaché canceled.

In lieu thereof, he is designated Secretary with the additional title of Director of War Economic Operations.

HULL

⁷² An act to make further provision for the Government of India, August 2, 1935, Great Britain, *The Public General Statutes*, 25 & 26 Geo. V, ch. 42, p. 569.

⁷³ Not printed.

⁷⁴ Clayton Lane, the Consul at Calcutta, had been assigned to New Delhi to coordinate, under the supervision of the Mission, the work of the various American civilian agencies then operating in India; see footnote 2, p. 178.

⁷⁵ Kenneth S. Patton, the Consul General at Calcutta.

121.5445/17 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, May 18, 1943.

[Received May 18—12:15 p. m.]

3422. Department's 2877, 6th.⁷⁶ Foreign Office has today advised that the title "Military Observers with personal status of Military Attaché and Assistant Military Attachés" has been approved by the Government of India and the interested authorities here.

WINANT

740.00118 European War (1939)/1885: Airgram

The Secretary of State to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, May 19, 1943—7:30 p. m.

A-29. Your 240, March 26. Osmun Group, now made up of Colonel Osmun, Lieutenant Colonel Graybeal, Lieutenant Colonel Lash, and Major Charles S. Cutting, assigned Military Observers with Personal rank of Military Attaché and Assistant Military Attachés to Mission at New Delhi. Advise appropriate authorities.

HULL

123 Lane, Clayton/124 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, June 15, 1943.

[Received, June 15—5:16 p. m.]

3986. Department's 2357, April 13th.⁷⁷ In note dated April 16, Embassy advised Foreign Office of the designation of Clayton Lane as Commercial Attaché at New Delhi and Foreign Office in reply now states that since the date of the Embassy's note "the question of the designations of the members of Mr. Phillips' staff has formed the subject of discussions between the Government of India and Mr. Phillips. Mr. Eden⁷⁸ learns that Mr. Phillips has now notified the Government of India officially that Mr. Lane has been assigned as Secretary to the United States Mission at New Delhi, and that the Government of India recognize him in that capacity."

WINANT

⁷⁶ Not printed.

⁷⁷ Not printed; it informed Ambassador Winant that Mr. Lane had been appointed "Commercial Attaché" at New Delhi (123 Lane, Clayton/114).

⁷⁸ Anthony Eden, British Secretary of State for Foreign Affairs.

811.20245/15

*Memorandum by the Chief of the Division of Near Eastern Affairs
(Alling)*⁷⁹

[WASHINGTON,] June 19, 1943.

This Division has recently learned that the British are anxious to establish in New Delhi a "joint intelligence board" on which would sit representatives of the United States Army, Navy, OWI, OSS, BEW,⁸⁰ and any other appropriate American organizations together with their British and Indian counterparts.

In this connection it is understood that a meeting recently took place in the office of General Strong, Chief of the United States Office of Military Intelligence, where General Cawthorn, Chief Intelligence Officer of the Government of India, propounded the scheme to the representatives of the American agencies concerned.

Mr. John Davies, Jr. of this Department was also present and, in a memorandum prepared for General Strong, he has made the following observations:

"In so far as the collection of straight military intelligence is concerned, General Cawthorn's suggestions would seem to have considerable merit. However, he seemed to be as much concerned, if not more concerned, with psychological (including political) warfare and American reporting on internal Indian conditions as he was with the collection of military intelligence.

In the field of psychological warfare, American and British interests are by no means identical. The British in Asia are fighting primarily for the retention, if not expansion, of their Empire. We are fighting without imperialistic designs solely for the defeat of Japan. To tie our psychological warfare program to that of the British would be to identify ourselves in the eyes of the Burmese and all of the colonial Asiatics with British imperialism. If we do this we may as well abandon psychological warfare in Asia."

This Division heartily concurs with the opinions expressed by Mr. Davies. It is felt that any action which identifies our activities, other than military operations, with those of the British, seriously lessens American influence in both India and Burma. Hence, while NE⁸¹ appreciates the need of close cooperation in the Intelligence field, it disapproves heartily of the creation of any such board as proposed by General Cawthorn. It is understood that Mr. Phillips feels likewise.

Mr. Fischer of BEW has intimated to this Division that the other agencies recognize the dangers involved and that they—and other agencies—will not, in all probability, support General Cawthorn's recommendations.

PAUL H. ALLING

⁷⁹ Addressed to the Assistant Secretary of State (Berle), the Under Secretary of State (Welles), and the Secretary of State.

⁸⁰ Office of War Information, Office of Strategic Services, and Board of Economic Warfare, respectively.

⁸¹ Division of Near Eastern Affairs.

811.20245/15: Airgram

The Secretary of State to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, July 24, 1943—3:30 p. m.

A-42. The Mission may be aware that when in Washington last, General Cawthorn, Chief Intelligence Officer of the Government of India, expressed the desire of the British to see created in India a "joint intelligence board" on which would sit representatives of the United States Army, Navy, OWI, OSS, BEW, and any other appropriate American organization, together with their British and Indian counterparts. This board appears to have been intended not only to facilitate the exchange of information of interest to all concerned, but also to allow the British to supervise American efforts in regard to psychological (including political) warfare. It is understood further that it was also expected that the Board would scrutinize the reports regarding internal conditions in India and Ceylon emanating from both the British and American organizations represented on the board. While the Department does not question the need and desirability of close liaison between the American and British or Indian organizations, especially in so far as matters pertaining to military intelligence are concerned, it does not consider that reports from American organizations should be made subject to scrutiny by an Anglo-American board, and furthermore it views with disapproval any arrangement which would indicate to the public mind in India that American and British activities are identical, except in so far as prosecution of the common enemy is concerned. Accordingly the Department has not viewed with favor the proposal understood to have been made by General Cawthorn and would strongly disapprove of any such arrangement being put into operation.

It is the Department's understanding that the other American agencies concerned have seen the dangers involved and hence were not receptive to the suggestion. You should promptly inform the Department, however, should there be any indication that efforts are being continued which would tend to identify American organizations in India with their British or Indian counterparts.

For your confidential information it may be added that the Department has been informally advised that the War Department first rejected *in toto* General Cawthorn's recommendations, but upon further recommendations by the British suggested that there be established at New Delhi a special liaison committee between the American and British military headquarters in India which would not only facilitate the interchange of military intelligence but also at which either side might discuss problems or matters affecting any governmental agency. In so far as the Department is aware the British have not yet indicated whether this suggestion is satisfactory to them. The Department's

interest is of course limited to arrangements concerning civilian agencies and arrangements in that regard in connection with the proposed liaison committee are still too nebulous to permit an expression of opinion from the Department.

As previously intimated, any developments with regard to this matter which come to your notice should be promptly reported to the Department.

HULL

124.45/69

*The British Embassy to the Department of State*⁸³

AIDE-MÉMOIRE

The Government of India have received notification of the appointments of a number of American officials to India. It is not very clear to the Government of India or to the United Kingdom Government how American official representation in India is organised and to whom these newly notified officials are responsible. Representatives of the Board of Economic Warfare and the Office of War Information have variously been reported as responsible to the United States Mission at New Delhi and to General Stilwell.⁸⁴

The United Kingdom Government and the Government of India would welcome an over-all picture of United States representation in India. In particular they would be grateful for an answer to the following questions:—

1. What is the relationship of General Stilwell to the United States Mission? It has been suggested to His Majesty's Government that General Stilwell is technically in charge of the Mission.

2. What are the functions of Mr. John Davies as Political Adviser to General Stilwell, and what is his relationship to the Mission?

3. Will Mr. Merrell continue to be head of the Mission?

4. If the representatives in India of the Office of Strategic Services, the Office of War Information, the Board of Economic Warfare and the Federal Communications Commission are under General Stilwell, as has been suggested, how do they stand in relation to the Mission? Do they, for instance, have a dual role, i. e. insofar as they deal with direct or "combat" intelligence of all kinds would they be under General Stilwell, and in respect of other functions under the Mission?

WASHINGTON, August 6, 1943.

⁸³ Handed on August 18 by the British Chargé (Campbell) to the Assistant Secretary of State (Berle).

⁸⁴ Lt. Gen. Joseph W. Stilwell, Commanding General, U. S. Forces in India.

701.0645/4

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

No. 218

NEW DELHI, September 24, 1943.

[Received October 8.]

SIR: I have the honor to refer to the Department's airmail instruction No. 5 dated February 1, 1943,⁸⁵ in which the various exemptions from taxes enjoyed by the Agent General for India and the members of his staff were outlined, and in which the Mission was instructed to request exemption from similar taxes in India for the members of its staff.

The Mission addressed a formal communication to the Secretary to the Government of India in the External Affairs Department on May 18, 1943, a copy of which is enclosed,⁸⁶ noting that the Office of the Indian Agent General is granted all the privileges and immunities accorded to any other diplomatic establishment in Washington, outlining the various exemptions from taxes enjoyed by the Indian Agent General and his staff, and requesting that exemption from similar taxes in India be granted to the members of this Mission.

In reply to this communication a letter has been received from the Under Secretary⁸⁷ to the Government of India in the External Affairs Department dated July 9, 1943, of which a copy is enclosed.⁸⁶ The Under Secretary notes in his reply that the Government of India does not know the nature or financial implications of some of the taxes under reference, and requests to be informed what the taxes are, what payments they entail, and to be provided with an indication of the corresponding Indian taxes where such exist.

The Mission does not have at hand the detailed information requested by the Government of India. The implications of the Under Secretary's letter reach much further, however, than his request for further data, and are explained below in order that the background of the subject may be clarified.

In the experience and relations of this Mission with the External Affairs Department it has been made abundantly clear that the Government of India is not disposed to grant more than a modicum of privileges of a diplomatic character to the members of this staff. The Department is well aware of the unsatisfactory situation that has prevailed in India for a considerable period of years with regard to the status of our consular officers; in a broad sense the present attitude of the Government of India in the matter of diplomatic privileges reflects an extension to this office of the traditional policy of the Government of India vis-à-vis foreign representation. Although it is not

⁸⁵ Addressed to Mr. William Phillips, Personal Representative of President Roosevelt in India, p. 233.

⁸⁶ Not printed.

⁸⁷ Capt. L. A. C. Fry.

within the purview of this despatch to discuss the question in detail, this brief reference to its broader aspects is essential to an understanding of the problem under present consideration.

The Government of India has manifested no interest in, nor expressed any appreciation for, the various privileges accorded to the Indian Agent General in Washington and the members of his staff. The Government's narrow attitude is reflected in the observation contained in the last paragraph of the Under Secretary's letter of July 9, 1943, wherein he states, "We note that the staff of the Indian Agent General are not exempt, as are the staff of the U. S. Mission, from obtaining licenses to possess certain small arms and ammunition." Thus, in response to the Mission's note outlining the numerous material privileges and exemptions enjoyed by the Indian Agent General and his staff, the Government of India singles out an item of small consequence which it believes to be unreciprocated. Further, the Under Secretary has in private and informal conversation intimated that there is hardly a fair basis for reciprocity in matters of this nature in view of the fact that there are many more American officials in India, who would be benefited thereby, than Indian officials in the United States.

Underlying the attitude of the Government of India are various factors which may be summed up briefly as follows: (1) This office is not considered by the Government of India, for constitutional reasons, to be a diplomatic Mission; (2) As India is not an independent country, the External Affairs Department has limited experience in, or knowledge of, the personal prerogatives of accredited diplomatic representatives; (3) As the association between the Indian representatives in Washington and the English officials of the External Affairs Department lacks personal interest and service spirit which ordinarily characterize the Foreign Services of independent countries, there is ample substantiation for the suspicion that it is of little moment to the Government of India whether the Indian representatives in Washington are accorded the broad courtesies and exemptions under discussion.

In view of the above the Department's instructions as to what further steps should be taken would be appreciated.

Respectfully yours,

GEORGE R. MERRELL

124.45/69

The Secretary of State to the British Chargé (Campbell)

The Secretary of State presents his compliments to the British Chargé d'Affaires ad interim and refers to an *aide-mémoire* dated August 6, 1943, which was left with Mr. Berle, Assistant Secretary

of State, by the British Chargé d'Affaires ad interim on August 18, 1943. The *aide-mémoire* indicates that some uncertainty exists on the part of the United Kingdom Government and on the part of the Government of India with regard to the manner in which American official representation in India is organized, and to whom certain recently appointed officials are responsible. Several queries are posed in that connection, and it would appear that a reply to the fourth is most essential for clarification of the points at issue. The fourth query involves matters which are still a subject of discussion between the Department of State and the War Department, and it is therefore not possible to provide the Embassy with a definitive reply at the moment. Every effort will be made, however, to furnish at the earliest possible date the information desired.

It may be said that in general the Department of State does not view with favor any arrangement whereby the representatives of this Government will act in India in a dual capacity. It is contemplated that representatives of the Office of Strategic Services, those representatives of the Office of Economic Warfare engaged in economic intelligence, and those representatives of the Office of War Information engaged in psychological warfare activities, will be subordinate to the authority of the senior American military commander in India, rather than to that of the Mission.

It may be mentioned that it is obvious that at the present time two American representatives in India are functioning to a certain extent in a dual capacity. These representatives are Mr. Ralph Block, who has been designated Special Assistant to the Personal Representative of the President and who in his capacity as senior Office of War Information representative is considered to have supervisory powers over all Office of War Information personnel in India, including those comprising the psychological warfare unit; and Mr. John Fischer, who has also been designated Special Assistant to the Personal Representative of the President and who in his capacity as senior Office of Economic Warfare representative is considered to have supervisory powers over all Office of Economic Warfare personnel in India, including those engaged in economic intelligence. The Department would welcome an indication of the Embassy's views regarding the acceptability, under the circumstances, of this arrangement.

Queries 1, 2 and 3 are answered seriatim :

(1) The New Delhi headquarters of General Stilwell and the American Mission are separate establishments entirely independent one of the other. Accordingly the suggestion that General Stilwell is technically in charge of the American Mission is erroneous.

(2) Mr. John Davies, a Foreign Service officer, has been attached to the staff of General Stilwell with a view to his providing the latter with such advice and assistance on matters of a political nature affecting military affairs as may be desired. Mr. Davies is Second Secre-

tary of the American Embassy at Chungking and has no direct relationship with the American Mission at New Delhi.

(3) In the absence of the Personal Representative of the President, Mr. Merrell will continue in charge of the American Mission at New Delhi in so long as he remains the senior Foreign Service officer at that post.

As previously intimated, the Embassy may expect in the near future a note discussing in greater detail the points raised in query 4 of its *aide-mémoire*. It would be helpful, however, if there were first received by the Department an expression of the Embassy's views regarding Mr. Block's and Mr. Fischer's status as discussed earlier in this note.

WASHINGTON, September 30, 1943.

124.45/69

The Secretary of State to the British Ambassador (Halifax)

The Secretary of State presents his compliments to His Excellency the British Ambassador and has the honor to refer to the Department's note of September 30, 1943 regarding the organization of American official representation in India. It is believed that the following information, which is supplementary to that contained in the Department's note under reference, will clarify those points about which doubt existed:

(a) All civilian representatives of the United States Government, or its agencies, in India, with the exceptions cited below, or with such other exceptions as may be later notified to the appropriate authorities, are responsible to the American Mission in New Delhi rather than to the American military authorities.

(b) The civilian representatives who are responsible to the American military authorities in India are (1) representatives of the Office of Strategic Services, (2) members of the psychological warfare unit of the Office of War Information, (3) members of the economic intelligence unit originally established by the Office of Economic Warfare and now incorporated into the Foreign Economic Administration, and (4) political advisers, technical observers and technicians *on duty with* the United States Armed Forces.

It may be added that other persons in India, not members of the United States Armed Forces and not representatives of this Government or of any agency thereof but subject to the control of the American military authorities are (1) American civilians employed by the American military authorities locally or by the War Department, (2) accredited war correspondents, (3) American Red Cross personnel.

(c) By agreement between the Departments of State and War, it is contemplated that if no objection is perceived Mr. Ralph Block, Special Assistant to the Personal Representative of the President, will continue to supervise the activities of the psychological warfare unit of

the Office of War Information, and similarly that Mr. John Fischer, also Special Assistant to the Personal Representative of the President, will continue to supervise the activities of the economic intelligence unit of the Foreign Economic Administration.

The Department will welcome any comment which the Embassy may desire to make with regard to the arrangements outlined above.⁸⁸

WASHINGTON, January 12, 1944.

LEND-LEASE AID TO INDIA AND RECIPROCAL AID: CONSIDERATION OF PROPOSAL FOR DIRECT LEND-LEASE AGREEMENT BETWEEN THE UNITED STATES AND INDIA⁸⁹

845.24/303 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, January 2, 1943—midnight.

[Received January 3—1:30 p. m.]

1. Britain's favorable attitude toward proposed direct lend-lease agreement between United States and India (Department's 738, December 29, 9 p. m.⁹⁰) is thought to be based primarily on the fact that while India receives the benefit of lend-lease goods, it is Britain which pays for reciprocal lend-lease aid being furnished to American Forces in India. The obligation for India's lend-lease goods is Britain's. The reciprocal obligation has not been passed on to India according to best information available. Under proposed agreement India would of course be responsible for supplying reciprocal aid. Amount of such aid thus far given is not known but is large and just what settlement of present balances between India and Britain may be contemplated if the American agreement is concluded is not known. England might, however, reasonably expect some reimbursement for her expenditures for reciprocal aid. In view of India's stated unwillingness to grant trade concessions any such settlement might possibly be on a financial basis and might involve either India's sterling credits in London or the large rupee "suspense" account which has been built up in India with cash received with nonofficial orders for lend-lease goods and debits against Government departments order-

⁸⁸ In a note of February 10, 1944, the British Embassy replied that "neither the Government of India nor the United Kingdom Government have any comment to make in regard to the memorandum." (124.45/73)

⁸⁹ For previous correspondence on lend-lease relationships between the United States, the United Kingdom, and India, see *Foreign Relations*, 1942, vol. I, pp. 748-750; for quarterly reports on U. S. lend-lease operations for 1943, see *Message from the President of the United States transmitting . . . report on Lend-Lease operations*, 10th, 11th, 12th and 13th Reports (Washington, Government Printing Office).

⁹⁰ *Foreign Relations*, 1942, vol. I, p. 750.

ing lend-lease goods. This account obviously large has not thus far been charged for reciprocal lend-lease aid supplied.

A further and important consideration may well be that England under present lend-lease procedure will ultimately be faced with the politically unpleasant necessity of demanding from India reimbursement in one form or another to offset Britain's lend-lease obligation on India's behalf to the United States. Britain may consider it more feasible to effect settlement now than to do so after the war when the value as involved would be much larger and political situation presumably in transitional state. Britain might well prefer to let the United States "present the bill" to India direct after the war.

Obvious advantages to Britain of proposed agreement would be economies in time and administrative effort and expense. From India's point of view simplification of procedure and savings and time would be useful. It would also give India its own place in any postwar negotiations which would relieve Britain of possible charges afterward that India's interests had not been properly guarded.

On the purely political side Britain by sponsoring direct Indo-American agreement could throw a sop to Indian Nationalists which not only would cost British Government nothing but also would work to its advantage. Such a move would be politically effective in that it would presumably involve India's formal adherence to British master agreement⁹¹ which is regarded as first implementation of the Atlantic Charter.⁹² Fact that Charter has never specifically been applied to India has been a major grievance here. Thus proposed lend-lease agreement might reasonably be construed by Nationalists as indirect admission of India's inclusion in Charter.

Report contained in second paragraph of Department's telegram under reference does not check with statements recently made by General Wheeler,⁹³ Service of Supply, who handles American reverse lend-lease operations here. He appears to be obtaining most of what he requires without to a [*a too?*] great difficulty or delay and although complications undoubtedly arise from time to time it is not believed that he is responsible for initiating this matter. However, he is known to have been disappointed several months ago when an informal proposal that he scrutinize and pass upon all of India's lend-lease requisitions before submission to Washington was dropped for reasons never announced. This is of course highly confidential. In dis-

⁹¹ Preliminary agreement in regard to principles applying to mutual aid in the prosecution of the war against aggression, signed at Washington, February 23, 1942; Department of State Executive Agreement Series No. 241, or 56 Stat. (pt. 2) 1433. For negotiations leading up to this agreement, see *Foreign Relations*, 1942, vol. I, pp. 525 ff.

⁹² Joint statement by President Roosevelt and British Prime Minister Churchill, August 14, 1941; *ibid.*, 1941, vol. I, p. 367.

⁹³ Brig. Gen. Raymond A. Wheeler, Commanding General, Services of Supply, China-Burma-India theater.

cussing the proposed agreement with him (without attribution to the Department) he made the statement that it did not matter to him whether he dealt with Britain or Indian reciprocal lend-lease matters.

MERRELL

845.24/312 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, January 7, 1943—4 p. m.

[Received 10:45 p. m.]

10. President of Federation Indian Chambers of Commerce and Industry, G. L. Mehta, in speech at Bombay January 5 which reflects sentiment of important section of Indian business community, remarked that proposed direct lend-lease agreement should be made subject to important reservations: (1) amount of Indian reciprocal aid should not exceed amount of lend-lease aid received, and (2) because of its undeveloped industrial status India could not agree to "removal" of tariff barriers. He added Government of India must make latter reservation to assure India's industrial development and preserve fiscal autonomy.

Reference Mission's 954, December 17, 11 a. m.⁹⁴ and 1, January 2, noon [*midnight*].

Referring to Britain's reported desire that India assume larger portion war expenditure he said there could be no equality of sacrifice, as proposed by Britain, without equality of status. Reference Mission's 958, of December 18, 3 p. m.⁹⁵ He said India is being asked to carry burdens of member of the United Nations without being given corresponding rights and powers.

MERRELL

845.24/334 : Telegram

The Secretary of State to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, January 7, 1943—11 p. m.

12. The Department has approved the imminent departure for India of a small mission from the Office of Lend-Lease Administration under head of Frederick W. Ecker, which will study requirements and will function under the Mission's direct supervision. Further details in this connection will be communicated later.

HULL

⁹⁴ *Foreign Relations, 1942*, vol. I, p. 748.

⁹⁵ *Ibid.*, p. 749.

845.24/341 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, January 14, 1943—6 p. m.

[Received January 14—5 : 41 p. m.]

26. Raisman,⁹⁶ finance member of Viceroy's Council informs me he expects Government of India will instruct Bajpai⁹⁷ in next few days to approach Department formally with view to concluding direct lend-lease agreement between United States and India. The formal approval of Government of India has not yet been given but Raisman expects this to be done in 2 or 3 days. Matter is being expedited here in order to take advantage of presence in United States of Sirrama Swami, India's representative on Pacific War Council and recently commerce member of Viceroy's Council. The Government is anxious that he participate in forthcoming negotiations.

Two principal reservations which India will make are those mentioned in Mission's 954, December 17, 11 a.m.,⁹⁸ namely :

Special recognition of India's need to retain a considerable measure of post war tariff autonomy because of this country's industrial immaturity. In discussing this phase of the matter I emphasized to Raisman my belief that United States would insist on a reasonably cooperative attitude on India's part as regards post war reduction of trade barriers. From his remarks, however, I gather that the Government feels obliged by strong public opinion to drive as hard a bargain as possible on this point, although he himself expressed his personal belief in minimum trade restrictions.

India will accept direct responsibility for reciprocal aid only to the value of lend-lease aid she receives. However, if by any chance value of reciprocal aid should exceed benefits received, Britain would be responsible for surplus amount. Britain has not yet made any formal undertaking to India on this point but Raisman clearly indicated that no difficulty is expected as regards British attitude on this score.

Raisman confirmed statement in Mission's telegram No. 1, January 2, noon [*midnight*] that Britain's interest arises primarily from desire that India accept direct responsibility for reciprocal aid. Questioned as to whether projected agreement would or would not be retroactive, he said definitely that it would. Thus India will take over the entire lend-lease obligation which Britain has thus far assumed on India's behalf, and would also accept responsibility for the reciprocal aid heretofore given on behalf of Britain to American forces in India.

A definite complication on latter point may arise from the fact that, according to an incidental remark made by Raisman, no account-

⁹⁶ Sir Jeremy Raisman.

⁹⁷ Sir Girja Shankar Bajpai, Indian Agent General in the United States.

⁹⁸ *Foreign Relations*, 1942, vol. 1, p. 748.

ing in terms of value has thus far been kept here of amount of reciprocal aid extended. Only an unpriced record has been maintained of projects completed for American troops and goods and services rendered. This fact is confirmed by remarks recently made by General R. A. Wheeler of American Service of Supply. It should be particularly noted, however, that Wheeler who has been handling American side of reverse lend-lease has kept his own informal record of benefits received and when actual costs or prices could not be obtained he has estimated them.

In addition to reciprocal aid for American forces here it is expected Raisman said that services for American shipping in India ports would be rendered. The Mission happens to know that London has recently cabled Government here on this point stating that expenses of American vessels, with certain minor exceptions, should be regarded as eligible for reciprocal aid. Procedure now followed in England in this regard will be used as basis for drawing up new procedure for India but certain modifications will be made due to special circumstances here.

Repeated to London.

PHILLIPS

845.24/403

Memorandum by the Chief of the Division of Commercial Policy and Agreements (Hawkins)

[WASHINGTON,] January 25, 1943.

LEND-LEASE AGREEMENT WITH INDIA

From the reports I have seen as to the attitude of the Government of India toward a lend-lease agreement with the United Kingdom in respect of India (summarized in Mr. Fuqua's memorandum hereunder⁹⁹), I am very doubtful whether we should look with favor on the British proposal.

From the point of view of commercial policy, the proposal is fraught with danger because Indian Government officials, aware of the strong feeling in India that the British have, in their own interest, kept Indian tariffs too low to permit Indian industry to grow, do not look with favor on Article VII.¹ It would seem far better to continue operating lend-lease arrangements with India along established lines (with the British responsible for getting such additional help on reciprocal aid as they can from the Indians), than to enter into a separate agreement containing a watered-down Article VII. A "diluted" Article VII would not only give the green light to an

⁹⁹ Not printed.

¹ Reference is to article VII of the master lend-lease agreement concluded with the United Kingdom February 23, 1942.

exaggerated Indian self-sufficiency program after independence but also seriously weaken our existing position with other signatories of master agreements, particularly China, in which country there is already danger of an overdose of tariff protection on "infant industry" grounds, and with other countries with which mutual-aid agreements are contemplated.

The advantages of a separate agreement to this country in terms of facilitation of supplies in both directions are not at all clear to me; the advantages to the British, on the other hand, are apparent: (1) the responsibility for trying to persuade the Indians to provide greater reciprocal aid would be shifted to us; (2) the pressure from India for supplies and equipment would be shifted to us; and (3) if the Indian (British) Government should be persuaded to accept Article VII without change, the critics in India outside the Government would turn their fire on the United States as well as the United Kingdom for trying to keep Indian industry at a low level in the interest of American and British industries and exporters.

On the other hand, a separate master agreement in respect of India which did contain an undiluted Article VII (the Article as it stands is not at all inflexible as to particular rates of duty or other import restrictions but only as to general objectives) might, on economic and commercial-policy grounds, be well worth the risk of possible adverse political reactions in India, concerning which others in the Department are in a far better position to judge.

HARRY C. HAWKINS

711.45/7: Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 9, 1943—3 p. m.

[Received 4: 52 p. m.]

116. In a conversation with the President of the Indian Chambers of Commerce and Industry this morning, he said to me that there seems to be a growing sense of uneasiness in business circles with regard to American economic intentions towards India now and after the war. This feeling, he said, originated with the Grady Mission² and appears to have been accentuated by the presence of American troops. He believes it desirable that some effort should be made to allay the suspicions before they become widespread. I feel that the point is well taken and I propose, subject to the Department's approval, to say something, either in a press conference or otherwise

² For correspondence on the mission of Henry F. Grady, see *Foreign Relations*, 1942, vol. I, pp. 593 ff.

disclaiming any motives of "economic imperialism" or "exploitation" on the part of Americans. In order to lend weight to my assurances, I should appreciate any suggestions from the Department with regard to the language which I might use.

PHILLIPS

845.24/404 : Telegram

Memorandum by Mr. Theodore C. Achilles of the Division of European Affairs

[WASHINGTON,] February 15, 1943.

MEMORANDUM

Eu³ heartily concurs with TA's⁴ view that present lend-lease arrangements with India are satisfactory and that a lend-lease agreement embodying any dilution of Article VII would be highly undesirable.

Eu does not believe that the Indian request for a lend-lease agreement should be considered a "British" proposal. In this connection a responsible official of the British Government recently advised an officer of this Division, "off the record," that the British Government was considerably embarrassed by the Indian proposal and most anxious not to be maneuvered into a position either of favoring or opposing it. He believed the persons in the Government of India responsible for the proposal to be more interested in the prestige and evidence of emancipation which conclusion of an independent agreement with this Government would bring than in any question of substance. If the British Government indicated any opposition to such an agreement it would be accused of obstructing India's desire for further measures of independence. If it indicated approval of an agreement containing an unmodified Article VII it would be accused of seeking to keep Indian tariffs low for the benefit of Lancashire. If it supported an agreement containing a diluted Article VII it would be in difficulties with those elements in London, and the Dominion Governments, which had accepted Article VII as a signpost of policy.

811.20 Defense (M) India/65 : Telegram

The Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

WASHINGTON, February 17, 1943—6 p. m.

95. [The portion of telegram here omitted, relative to the purchasing of strategic raw materials, is printed on page 284.]

³ The Division of European Affairs.

⁴ The Division of Commercial Policy and Agreements.

2. For your information the Department is considering recommending to you that a Joint Anglo-American group to which might be added representatives of the Indian Government be established for the purpose of making a comprehensive and realistic study of civilian Indian import requirements from all sources of supply. This group should include representatives from the shipping agencies of both the United States and the United Kingdom as well as a BEW⁵ representative. Presumably this body would sit at New Delhi and there appears to the Department to be no objection to establishing two separate groups, one at Calcutta and one at New Delhi, to perform these two different functions. The senior American representative on such a combined requirements group would be the senior Lend-Lease representative in India. The approval of the British and Indian Governments would of course be a prerequisite. Prior to seeking such approval your opinion on this subject will be appreciated.

HULL

845.24/360: Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 24, 1943—11 a. m.

[Received February 24—9:47 a. m.]

179. Paragraph 2 of the Department's 95, February 17, 6 p. m. Government of India is now engaged at the behest of London on an overall, comprehensive survey of India's entire import requirements, civil as well as military. This will be used as basis for drawing up three detailed alternative import programs to be submitted to London. One will be limited to barest minimum essential needs; another will specify requirements for continuation war effort and war time standard of living; the third will indicate what India would like to import if United Nations production and shipping capacity were available in sufficient volume.

Such a survey might, to some extent at least, serve the purpose of the proposed Anglo-American group. If, however, Department has in mind a continuing organization, additional details of its scope and functions will be needed to enable this office to make a considered reply to Department's inquiry.

PHILLIPS

⁵ Board of Economic Warfare.

845.24/405

*Memorandum by Mr. Calvin H. Oakes of the Division of
Near Eastern Affairs*

[WASHINGTON,] February 24, 1943.

Reference is made to the proposed lend-lease agreement between India and the United States. Technical aspects of the matter have already been discussed by TA in its memoranda expressing disapproval of the proposal. NE⁶ feels that there are objections on political grounds to any such agreement. While in some Indian circles it would no doubt be viewed as a recognition of India's approach to independent or quasi-independent status and hence would to that extent be pleasing, it is thought that there are other considerations which would contribute unfavorably to American-Indian understanding.

It is assumed that this Government would not be willing to enter into any such agreement on the basis of a materially modified Article VII, and failing any such concession on our part, it would be immediately and bitterly alleged that the United States and Great Britain had conspired to force upon India, through action of the existing unrepresentative Government in India, a tariff policy ruinous to India's future industrial development. As the Indian industrialists are, as a group, among India's most potent nationalists, and as that group has been vociferous in expressing suspicion of American intent towards India, it is felt that any such ground for complaint on their part would be highly undesirable at this time.

A second factor involved pertains to India's insistence that any such agreement embody the provision that the value of goods given and services rendered to the United States shall not exceed the value of articles supplied by the United States. While it is assumed that reverse lend-lease from India is comparatively small at the present time, it would appear possible that at some future time the extent of reversed lend-lease in India might increase sufficiently to cause uncertainty in the Indian mind as to who was benefiting most. It may be that this Government would be willing to include such a provision. If it is not included, however, and if the question indicated above ever arises, resentment would be centered against the United States if a separate lend-lease agreement were in existence, while if reverse lend-lease is supplied under the agreement with Great Britain, resentment would probably be directed largely against that country.⁷

⁶ The Division of Near Eastern Affairs.

⁷ Notation on the original by the Adviser on Political Relations (Murray): "I agree most emphatically."

845.24/367 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 26, 1943—5 p. m.

[Received 7:30 p. m.]

189. In continuation my 179, February 24, 11 a. m. There is considerable reason to believe Government of India may not be entirely receptive to idea of Anglo-American Import Mission unless it is made clear that the group would not concern itself with actual determination of India's import requirements—a function which Government of India will almost certainly consider as properly its own—but that its function will be to review India's self determined import needs in light of Anglo-American supply and transport capacity.

If latter is in fact to be function of proposed group, Washington or London would seem better location than New Delhi where it would be more difficult for group to keep abreast of changing situation in United States and Britain.

If it is intended that group should itself determine India's import needs, the delicate jurisdictional question mentioned in first sentence this message would require very careful handling, and from American point of view it would seem advisable, if possible, that British appear as chief proponent of idea. It is also difficult to see how such a body, necessarily with incomplete background on Indian economy, could draw up a satisfactory survey without relying to such a degree on assistance and advice of Government of India that latter would in effect be so largely responsible for results that value of Anglo-American group's contribution would be relatively small.

PHILLIPS

845.24/373a : Telegram

The Acting Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

WASHINGTON, March 3, 1943—4 p. m.

131. The following message⁸ has been sent to Harriman⁹ for whatever informal action may be appropriate in London :

“1. We have recently learned that the arrangements for providing reciprocal lend-lease in India are not working satisfactorily in several respects, and that the United States Army is purchasing a very considerable part of the supplies it obtains locally. It is, for example,

⁸ Sent as telegram No. 1350, March 3, to the Ambassador in the United Kingdom.

⁹ W. Averell Harriman, President Roosevelt's Special Representative in London, with the rank of Minister, in regard to all matters relating to the facilitation of material aid to the British Empire.

hiring 70% of all labor, it is paying for 20% of all construction, it has purchased all the cars it has obtained, and it is hiring its own office personnel. Our officers in charge are discouraged, and they report a disposition on the part of our Army establishment in India to discount the availability of reciprocal lend-lease, and to prefer purchase as a method of procurement.

"2. Major General Pakingham-Walsh is reported to be assigned by the British Government to India to work on lend-lease in reverse. It would be desirable to discuss the general problem of reverse lend-lease with him informally but at length before his departure to be sure that he is thoroughly familiar with the satisfactory arrangements now in effect in the United Kingdom.

"3. You may take up informally with appropriate officials the general problem of improved organization in India and the possibility of changes in reverse lend-lease policy. There would be a good chance for real improvement if British officers thoroughly familiar with the system as it has been working in Great Britain were sent out fully instructed to reorganize the Indian lend-lease establishment.

"4. These specific suggestions are advanced :

(a) that appropriate United States military and civilian officials be represented on committees allocating and assigning supplies as the British are represented in Washington, and as we are represented in the United Kingdom ;

(b) that reciprocal lend-lease be available even when supplies are not in stock, and procurement is therefore necessary. It is felt that Government of India procurement would be cheaper and more satisfactory than competitive purchases by the U. S. Army in the open market ;

(c) that differences in standard as between the British and the U. S. Army be not regarded as an automatic bar to reciprocal lend-lease aid ;

(d) that the possibility be explored of establishing financial arrangements such as those which exist in the United Kingdom for task funds or other means of direct procurement by U. S. officers for the account of the Government of India.

"5. Our report on the Indian reciprocal lend-lease situation was such as to indicate the need for vigorous action by the Government of India. The experience of the U. S. Army with this problem in India is disturbing both from the substantive point of view and from the point of view of psychological reaction.

"6. For your confidential information, the Indian Agent General has recently proposed a reciprocal aid agreement, and in the course of discussion pointed out that in their view the Government of India has provided aid to our forces greater in value than the value of the lend-lease aid sent by us to India. Our response was that this point, if it were true, is irrelevant in the light of the basic purposes of our mutual aid arrangements."

You may pursue parallel informal enquiries with appropriate officers of the Government of India, particularly with Treasury officials. General Wheeler has not made any official complaint in this matter.

Ecker, who will be in charge of the Lend-Lease Mission, will be arriving soon, accompanied by Winthrop Brown.¹⁰ They are both familiar with this problem.

WELLES

845.24/374a : Telegram

*The Acting Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India*¹¹

WASHINGTON, March 4, 1943—10 p. m.

137. Your 179, February 24 and 189, February 26. The point of view which you discussed in your 189 had already been expressed to the Department by Mr. Mahindra, Chief of the Indian Supply Mission here. His position was that the determination of Indian import requirements was a function of the Government of India which it could not surrender. It was pointed out to Mr. Mahindra that the suggestion of an Anglo-American-Indian Supply Council was not intended to interfere in the slightest with the proper responsibilities of the Government of India as to its own import needs, but rather was designed to facilitate the satisfaction of the import needs of India so far as possible by assuring the American requirements committees in Washington that a disinterested check had been made on the statement of requirements as prepared by the Government of India. Unless the absolute need of requirements can be fully justified in the light of the United Nations war effort, they have little chance of getting the necessary approval of the requirements committees. We believe that this point was fully understood by Mr. Mahindra who, while remaining firm that no formal supply council should be set up, stated that his Government would recommend informal collaboration between the Indian, British and American Governments for the purpose of examining the statement of import needs as prepared by the Government of India. He appeared to recognize that such a system was in the interest of obtaining the most favorable consideration of Indian requirements in the light of the belief here that exports for civilian and possibly military use may in any event be substantially curtailed in coming months and that only really essential needs can be met.

It will thus appear that the objective of this informal collaboration is not to consider the Anglo-American supply and transport capacity as affecting the import needs of India (as suggested in your 189) but rather to enable us to have an expert Anglo-American opinion on

¹⁰ Member of the staff of Minister Harriman's Mission in London.

¹¹ Notation on the original by the Special Assistant to the Secretary of State (Finletter): "Approved by India meeting where representatives of BEW, Lend-Lease, NE, DM [Division of Defense Materials], Army and ER [Division of Exports and Requirements] were present."

the requirements of India for the purpose of facilitating the satisfaction of those requirements so far as possible. For your information, this is the method which is already being used generally in the consideration of requirements throughout the world. It would seem that if presented in this light there should be no objection on the part of the Government of India to the informal collaboration referred to above.

The British have not as yet replied to the Department's proposal on this subject.

WELLES

845.24/383

*Memorandum of Conversation, by the Assistant Secretary of State
(Acheson)*

[WASHINGTON,] March 4, 1943.

Sir Girja¹² called at his request. He asked me what progress had been made in considering the suggestions of the Government of India in regard to the lend-lease arrangement. He told me that he had communicated with his Government, expressing his view as a result of a prior conference with us, that we would find it difficult, if not impossible, to include in any agreement a limitation of lend-lease aid from India to the United States to an amount not to exceed aid from the United States to India. He was hopeful that the Government of India would drop this suggestion, although it might well have such an idea in mind in determining whether or not it could grant particular requests for lend-lease aid. He had not, he said, reported in any length upon the possibility of eliminating Article VII from the agreement, although he understood that, from our point of view, this did not appear feasible. I told him that he should report that such an elimination would not be feasible from our point of view. He then asked whether it would be feasible to include anything in the agreement reserving India's position in enacting, if it should choose, protective legislation for new industries in India. We again went over the ground covered in the earlier conference, in which I pointed out that nothing in Article VII in any way impaired the sovereign power of any government to enact any legislation it thought best; that it was in agreement as to certain principles to be followed in an attempt to work out post-war arrangements; and that if we began to limit or to make exceptions to those principles, we would destroy the whole purpose of the Article. I therefore thought that he could report to his Government that the reservations of the type he had in mind would not be favorably regarded by us.

¹² Sir Girja Shankar Bajpai, Indian Agent General in the United States.

He then said that one of the worries of the Government of India about Article VII was that the impression might get abroad in India that the Government, having won its fiscal independence from the British, was now compromising it by the agreement with the United States. I pointed out that this was not the case, to which he readily agreed. He then asked whether it would be possible in an exchange of notes to find some formula for stating that the agreement did not in any way limit the fiscal sovereignty of India. I told him that I should be glad to discuss this matter with other interested offices of the Department. It was obviously correct that the fiscal sovereignty of India was not in any way affected by Article VII. It was possible, however, that stating the proposition as obviously as this might give rise to some misconceptions. We would examine the matter closely and endeavor to find some formula which could be used by the Government of India to assure its people that it had not surrendered or compromised any of its powers.

DEAN ACHESON

711.45/7 : Telegram

The Acting Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

WASHINGTON, March 6, 1943—10 p. m.

140. Your no. 116, February 9. The Department agrees that everything possible should be done to allay Indian uneasiness regarding American economic intentions towards India, particularly as our enemies may well be actively encouraging these ideas. While the possibility should not be ignored that repeated denials of economic imperialistic intentions might be misinterpreted as an indication of an uneasy conscience and thus tend to confirm in some quarters the extravagant suspicions mentioned by you, the Department desires that you be guided by your own judgment in which the highest confidence is placed with regard to the appropriateness of such occasions as may arise for a statement or statements emphasizing that allegations of the sort under discussion are entirely without foundation.

With regard to the phraseology which might best be used, the Department feels that you might most satisfactorily be guided by the following statements of officials of this Government, all of which statements are believed to have appeared in the radio bulletin :

The War and Human Freedom, radio broadcast by the Secretary, July 22 [23], 1942; ¹³ Memorial Day Address by the Under Secretary, May 30, 1942; ¹⁴ Problem of Economic Peace after the War by Mr.

¹³ Department of State *Bulletin*, July 25, 1942, p. 639.

¹⁴ *Ibid.*, May 30, 1942, p. 485.

Pasvolsky of the Department of State, March 4, 1942;¹⁵ British-American Trade Relations, by Mr. Hawkins of the Department of State, October 9, 1942;¹⁶ Speech to National Foreign Trade Convention, by the Under Secretary, October 9 [8], 1942.¹⁷

Reference is also made to the statements of Dr. Henry Grady while in India regarding the purpose of his mission. These statements were made informally and without record available to the Department but the officers of the Mission at New Delhi and the President of the Chambers of Commerce and Industry are no doubt familiar with them.

WELLES

845.24/384 : Telegram

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

LONDON, March 23, 1943—midnight.

[Received March 24—5:35 p. m.]

2054. From Harriman. Refer your 1350, March 3.¹⁸ 1. We have discussed this matter informally with officials of Treasury and India Office. They report that Major General Packingham-Walsh left for India on February 23 and that in any case he will have little if anything to do with reverse lend-lease arrangements. We understand he will be the Chief of the Central Purchasing Office and British representative on Indian Munitions Assignments Board which is in process of organization.

2. There appears to be no detailed information in London regarding policies and arrangements followed by Indian Government in providing reciprocal aid.

3. Neither the Treasury nor India Office maintain control of Indian Government policy on reciprocal aid, although they are perhaps in a position to influence the policy and procedure. They both reported they had not recommended or influenced Indian Government in any way to adopt a different policy or procedure with regard to granting reciprocal aid from that adopted in United Kingdom.

4. India Office has now agreed to take an interest in this matter and has cabled Indian Government stating that representations have been made in London that arrangements have not been working satisfactorily and reporting to them complaints and suggestions put forward here. They have also advised Indian Government that Frederick Ecker and Winthrop Brown are arriving shortly and will be in a position to take up entire question with them on the spot. A paraphrase of this cable is being forwarded to you by pouch.

¹⁵ Department of State *Bulletin*, March 7, 1942, p. 210.

¹⁶ *Ibid.*, October 10, 1942, p. 818.

¹⁷ *Ibid.*, October 10, 1942, p. 808.

¹⁸ See footnote 8, p. 255.

5. We have also requested Sir Findlater Stewart, Chairman of Anglo-American Coordinating Committee which is an interdepartmental committee under the Production Minister handling all arrangements for United States troops in United Kingdom including particularly reciprocal aid arrangements, to prepare a statement of policies and arrangements in effect in United Kingdom. He has agreed to do this and a copy will be transmitted by India Office to Indian Government.

6. We are forwarding by pouch to Ecker a complete report of steps which have been taken in London on this matter.

7. In regard to your paragraph 6, Treasury informed us that negotiations were now proceeding between Indian and British Governments as to whether British should pay for any reciprocal aid provided in India over and above the value of lend-lease which may be provided to India. The Treasury are apparently resisting this proposal.

8. Suggest you give copy of this to Stettinius.¹⁹ [Harriman.]

MATTHEWS

845.24/394

*Memorandum of Conversation, by the Assistant Secretary of State
(Acheson)*

[WASHINGTON,] March 30, 1943.

Sir Girja called at his request. He asked me whether I had as yet had an opportunity to discuss with my associates in the Department the informal and oral suggestion made by him that this country and the Government of India enter into a reciprocal aid agreement patterned on the Australian and New Zealand agreements, but differing therefrom in that there would be a provision that reverse lend-lease in India should not exceed direct lend-lease from the United States to India, and another provision either limiting Article VII or referring to an exchange of notes which should in some way indicate that the freedom of the Government of India to protect certain of its industries by tariff was not abrogated.

I told Sir Girja that I had had such a discussion with certain officers of the Department; that the matter had not as yet been referred to the Secretary of State for decision; and that I assumed that, since he had raised the matter informally, he did not wish a formal decision on the matter, but merely wished to get the views of those officers who would be called upon to advise the Secretary. He said that this was correct and that he did not believe that his Government wished to raise the matter formally or to have a formal decision.

¹⁹ Edward R. Stettinius, Jr., Lend-Lease Administrator.

I then said that, from our discussions within the Department and with officers of the Lend-Lease Administration, I believe that it was regarded as most inadvisable to have any agreement which would limit the return aid from India to the exact amount furnished by the United States. This was contrary to all the arrangements which had been made with other countries and to the spirit and purpose of the Lend-Lease Act. It would also produce, obviously, criticisms in the United States. He agreed with this and stated that he believed that his Government would not insist upon this provision.

I then said that all of us believed it most inadvisable to exclude Article VII from any agreement with India. This Article was regarded as most important from our point of view, and it would obviously raise difficulties with other countries if it were excluded from the agreement with India. I then pointed out that any exchange of notes in which it was recited that Article VII did not impair the fiscal sovereignty of either signatory power would also create difficulties. In the first place, no provisions in Article VII undertook to limit the sovereignty of any nation. To recite this obvious fact would raise questions both here and abroad as to the meaning and effect of Article VII. I saw no reason why India should find any greater difficulty in that Article than had been found by other nations.

Sir Girja drew my attention to an article in the *New York Times*²⁰ reporting resolutions passed by the Federation of Industries in India which had insisted that India must preserve its fiscal independence and not make commitments in return for lend-lease aid which would embarrass its future development. He said that it was against criticisms of this sort that the Government of India wished to guard. After some further discussion of this point along similar lines, I pointed out that the present situation was about as follows:

Lend-lease aid was being given to India by retransfer through the British. India was furnishing some reverse lend-lease aid but not in amounts or by methods which seemed to us adequate in view of the needs of our forces. The Government of India had proposed an agreement with conditions which seemed impossible for us to accept. Perhaps, therefore, the best method of procedure was to leave the situation as it was without involving ourselves in the difficulties which the attempt to make an agreement might create, and to work upon practical procedures by which the lend-lease materials sent to India should be those most essentially required for the war effort and by which the Indian Government and the British Government would work out between them methods of increasing the assistance furnished to our forces in India.

Sir Girja expressed the opinion that this appeared to be the most satisfactory course to pursue and said that he would consult his Gov-

²⁰ March 29, 1943, p. 5.

ernment in regard to it. I impressed upon him the fact that this Government was entirely willing to enter into an agreement with India along the lines pursued with other countries and that, if he wished to present proposed limitations to such an agreement, I should be glad to have them brought to the attention of the Secretary for decision, but I could not offer encouragement that they would be accepted.

Sir Girja then asked me if I could obtain for him illustrations of ways in which reverse lend-lease aid could be made more effectively to our troops. I said that I should be glad to do this and to discuss the matter with Army and Lend-Lease authorities.

DEAN ACHESON

845.24/391 : Telegram

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

LONDON, April 2, 1943—7 p. m.

[Received 10:56 p. m.]

2346. From Harriman. Refer my 2054.²¹ India Office has received long cabled reply from Government of India answering our complaints regarding reciprocal aid to United States forces. Paraphrases of India Office original cable and of reply of Government of India have been given to me and are being sent to you by airgram.

Recommend that there is little we can do here for the moment and that we await progress report and recommendations from Ecker. [Harriman.]

MATTHEWS

845.24/398 : Airgram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, April 6, 1943—9 a. m.

[Received April 14—10 a. m.]

A-218. From Harriman. Refer my cable of March 23.²² I quote below paraphrases of (1) cable sent by Secretary of State for India to Government of India, dated March 13, on subject of reciprocal aid to U. S. Forces in India, and (2) reply of Indian Government received March 20.

(1) "Jenkins²³ from Croft.²⁴ You probably know that Ecker, accompanied by Winthrop Brown of Harriman Mission in London, is

²¹ March 23, midnight, p. 260.

²² Telegram No. 2054, p. 260.

²³ E. M. Jenkins, Secretary to the Government of India in the Department of Supply.

²⁴ W. D. Croft, Deputy Under Secretary in the India Office, London.

now on his way to India by air. When passing through London he called on me and mentioned that his people in Washington were not altogether satisfied with way in which reciprocal aid was working in India. We told him what we could of general background, but naturally extent of our knowledge did not enable us to go into detail, and conclusion was reached that he had better discuss the whole problem with you and Coates,²⁵ and so straighten things out so far as possible on the spot.

"Since then Harriman has mentioned matter here at request of Washington. It has not been possible to establish the facts very definitely, but we gather, for example, that they think there may not be the same readiness to provide reciprocal aid in cases where supplies have to be freshly procured as in those where supplies are already available in a depot. Another point that seems to be worrying them is the restriction of issues to British scales in cases where American standards are higher. They have also got the idea that, in connection with the provision of personnel and in carrying out of construction works, the reciprocal aid given has been less than might have been expected. In addition, there seems to be some question whether actual machinery for procurement works smoothly and swiftly enough. It is suggested that their people are having to go out and buy supplies on this account, quite apart from the question of eligibility.

"Above points are not to be regarded as precisely formulated complaints, but rather as illustrations of way in which Americans are thinking of these matters. It has never been held here that others should be bound by practice of U. K. But no doubt it is your desire to preserve a general conformity and if in cases such as above you have adopted a less generous scale of treatment than obtains in U. K. differentiation has not been deliberate.

"We have been promised a note by the people most closely concerned here, setting out more fully, and with more attention to the spirit of the matter than in previous communications to India on this subject, way in which system has come to be worked in U. K. We will send this on as soon as possible. Before it arrives, however, no doubt Ecker will be seeing you. I am, therefore, sending this to give you and Coates a preliminary idea of what is likely to arise. We are also anxious that you should realise the political importance, as we see it, of clearing up any doubts that exist on American side. Harriman has been particularly concerned to emphasize the unfortunate effect that would be produced if American Army personnel spread impression that the administration in India have been less prompt and forthcoming. We feel sure you will appreciate the point and that within reason you will do all you can to establish a satisfactory understanding. For our part we shall be glad to give any assistance that may be possible if you will indicate what is wanted."

(2) "We shall be glad to discuss these matters with Ecker when he arrives. We have realised that difficulties were arising with Americans on points mentioned and while our arrangements are not perfect we feel that we ought to have more cooperation than we are now getting.

²⁵ E. T. Coates, Financial Adviser and Ex-officio Additional Secretary to the Government of India in the Finance Department.

“Following procedure agreed by us with General Wheeler. Works dealt with directly by U. S. Army and Q. M. G. In other cases U. S. Army apply to special section of M. G. O. Branch, Brigadier in charge who passes them to Reciprocal Aid Committee consisting of Joint Secretary to Supply Department, Brigadier referred to and Finance Department officer. Committee scrutinises applications for eligibility only. Following demands with agreement of Americans are not eligible for reciprocal aid: (i) raw materials or commercial supplies commonly exported from India to U. S. A., (ii) demands in excess of British scales, (iii) imported items supply of which by India will be difficult or impossible. No trouble arises over first class. Lend/Lease Committee exercises discretion in second class, but many difficulties have arisen in determining what American scales are and how far to go in meeting them, as Americans do not seem to have scales in same way and to same extent as we do. Committee in third class merely determine eligibility and leave it to Provision Sections of G. H. Q. to decide whether demand can be met or not. When committee decides application is eligible Brigadier passes to appropriate Provision Section of G. H. Q. for issue from depots or procurement through Supply Department.

“Number of applications handled to date is 643. Of which 613 were accepted by Committee, 15 rejected as ineligible and 15 returned for local purchase by Americans. Of 613 applications accepted by Committee, 44 unacceptable by Provision Sections on ground of nonavailability. Applications to Committee may be for specific quantities, for limited quantities to be delivered over a period or for whole classes of goods to be delivered regularly under standing arrangements; for example, Committee approved blanket application for rations. This procedure seems to be suitable and Americans have not complained about it.

“You mention four complaints. As regards first Americans have made requests impossible to meet, for example for fresh fish, ice cream, fresh chicken, special bread and many imported items for rations. We have explained that we are prepared to consider every fresh procurement case on its merits but some trouble arises from the fact that such cases are not brought to high enough level. Whenever case has been brought to notice no difficulty has occurred in settling with Wheeler. Only three cases have come to Government level, viz: special rations, special fittings in local barracks and woollen clothing. All were quickly settled. P. S. O.s of G. H. Q. state that any case of difficulty brought to notice has been quickly settled and no general complaints have been made.

“Second complaint. Americans have asked for equipment which is not available here and most of which must be imported, viz: hot and cold water laid on, refrigerators in barracks accommodation and water-borne sewage. They ask for air conditioning units for which we have greatest difficulty in procurement from U. S. A. for urgent operational R. A. F. requirements. A demand for electric fans for barracks was placed when U. S. Government refused to sanction fans for U. S. use here and had refused our indent on Lend/Lease except for hospital use only. Our line probably will be that reciprocal aid must be confined, subject to certain exceptions, to goods of indigenous supply, that we cannot supply imported items against our small allotment of shipping for civil needs nor can we agree to U. S. buying or

asking us to buy small civil stocks of imported goods which cannot be replaced.

"Third complaint. Difficult to understand. We have a huge military capital works program vastly beyond our engineering resources for a considerable time ahead. All major works go to Works Priority Committee of General Headquarters for determination priority of construction in competition with other works of urgent operational importance. By agreement with Americans each of their works costing over one lakh goes to this committee and below one lakh to Command Priority Committees. G. H. Q. have received no complaint that American work has been postponed or rejected on priority grounds or delayed. Fourth complaint. I have had only one complaint which concerned not centralized procurement system on reciprocal aid but alleged lack of interest by office of the Controller of Supplies Bombay for help in purchases by Americans. Complaint reached me indirectly. Controller was instructed to contact American officer concerned. He was told that there was nothing wrong. Two letters addressed to General Wheeler but no reply. Fundamental trouble is that though we have pressed Americans for over 8 months for forward program they failed to send us any until a week ago. Sudden demands requiring immediate satisfaction are embarrassing both to Provision Offices and Supply Department. In view of insistence of U. S. administration in Washington on forward programs American machinery here is hard to understand.

"American practice of contacting junior officers on our side, leads to delay and additional work. For example, if an American sees something wrong in the handling of incoming lend/lease goods he does not write or speak to me but telegraphs to Washington. The result arrives through the diplomatic channels perhaps 6 weeks later. Everyone here is genuinely anxious to help and so cannot understand why Americans do not talk frankly with us."

Suggest you pass copy this cable to Stettinius. [Harriman.]

WINANT

845.24/395 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 9, 1943—midnight.

[Received April 10—7: 58 p. m.]

275. Your 131 of March 3 and 181 of April 1.²⁸ Ecker and Brown have discussed reciprocal aid by India with Government of India and in General Wheeler's absence with General Holcombe and his staff. Preliminary report follows:

(1) Two major obstacles to effective operation of reciprocal aid in India have been (a) that British standards have been accepted as governing scale of aid to be rendered and (b) that working of reciprocal aid machinery has often been very slow.

²⁸ Latter not printed.

(2) Acceptance of British standards has been based upon letter of June 4, 1942 agreed between Wheeler and Wavell,²⁹ which provided that British standards should govern. This letter was drawn prior to United Kingdom-United States reciprocal aid agreement³⁰ and consequently without knowledge of procedures developed therefrom. This letter has hitherto been followed quite literally by British at lower levels though exceptions have been made in important cases brought to attention of top officials. For example, waterborne sanitation, showers, et cetera, have been provided for United States barracks.

(3) Government of India has now reviewed its policy with respect to reciprocal aid and formally advises that it will meet United States requests if material is available or can be made in India regardless of relative United States or British standards. Thus one major difficulty has been removed. In return it requests the United States Forces as a general policy not to ask for or buy material in substantial quantities that has to be imported unless replacement is undertaken by our Army and included in the Army's shipping program.

(4) United States Forces advised that procurement under reciprocal aid has generally proved to be a slow process. Much time has often lapsed before even a decision could be obtained as to whether the aid would be provided. This has created a disposition among some United States officers to prefer to buy or hire for themselves.

(5) Delays have been due to a combination of circumstances, among them (a) delays inherent in local Indian conditions which are not immediately understood by our officers who are used to the efficiency of the United States or United Kingdom, (b) inability or failure of United States Forces to present programs of their requirements sufficiently in advance to permit orderly procurement, (c) reluctance by British officers to pay the exorbitant prices usually demanded for sudden action, (d) the fact that Indian public opinion is in general not keen about the war, suspicious of lend-lease and very much worried about the cost of reciprocal aid.

(6) Top officials on both sides however recognize undesirability of United States Forces buying at high prices, often in competition with the British; and want to channel maximum of United States procurement through British as reciprocal aid. United States Forces have now presented forward programs for large proportion of their requirements and at a meeting yesterday with top British officials and member of Wheeler's staff we agreed several changes in organization and procedure which should materially expedite reciprocal aid

²⁹ Field Marshal Sir Archibald P. Wavell, British Commander in Chief, India.

³⁰ Agreement on principles applying to the reciprocal provision of aid in the prosecution of the war, effected by exchange of notes signed at Washington, September 3, 1942, Department of State Executive Agreement Series No. 270, or 56 Stat. (pt. 2) 1605; for correspondence, see *Foreign Relations*, 1942, vol. 1, pp. 537 ff.

machinery. Will continue to work on this in collaboration with Wheeler's staff.

(7) Believe British responsible are sincerely anxious to put reciprocal aid from India on same generous basis as prevails in the United Kingdom. This attitude has, however, not yet fully permeated lower echelons nor received general public backing. In addition top British officials view with concern our army's absorption of imported material in view of replacement difficulties due to limited shipping.

(8) With respect to specific difficulties reported your 131 United States Army state:

(a) United States Forces here [*hire*] only about 30 per cent of their local labor and this percentage is decreasing. British have provided labor and material and undertaken construction work for United States Forces when requested to do so. There have, however, sometimes been delays when job has been requested as reciprocal aid and in some cases the United States Forces have gone ahead without waiting when they have considered haste imperative. This should happen less often under new procedure. United States Forces have also hired substantial number of skilled workers also sweepers, odd workers about barracks and offices and pay their own office personnel. They have not yet requested these services as reciprocal aid but the method of handling them as such on mutually satisfactory basis is now under discussion. At first United States Forces paid stevedores unloading ships allocated to them. This service is now being provided as reciprocal aid.

(b) United States Forces do their own construction work in occasional cases of urgency or where jobs are small. This amounts in total to about 20 percent of such work.

(c) United States Forces have received some autos as reciprocal aid but have purchased a larger number after refusal under reciprocal aid. This was error by British and they have agreed to pay bills. Supply position for autos here is tight and this is under special discussion.

(9) With respect to specific suggestions made your 131:

(a) British are entirely prepared to procure supplies for United States Forces when they are not in stock. Major difficulty so far has been lack of forward program for United States requirements and lack of authority to local British officers to make minor purchases for United States Forces. Both conditions are being corrected.

(b) We had thought that it was an accepted principle of reciprocal aid, operative in the United Kingdom, that there should be no procurement by United States officer for British account except in exceptional circumstances. The only task funds we know of are the two special funds in Egypt, which are limited to strictly British aid projects and are, therefore, not truly reciprocal aid.

(c) Arrangement has been made for consultation with Wheeler representative before any major United States requirements is finally declined and for informal advance consultation on supply position where article needed is in short supply. As you know the United

States Army will be represented on the Munitions Assignment Committee here.

(10) Repeated to Harriman.

(11) Please pass to Stettinius, Office of Lend-Lease Administration.

PHILLIPS

711.45/11 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 11, 1943—1 p. m.

[Received April 11—8:42 a. m.]

279. After discussions with Ecker we decided that the arrival in India of the Lend-Lease Mission furnishes an appropriate opportunity to allay those suspicions referred to in my 116, February 9. He has accordingly prepared a statement which will be released to Indian press on morning of April 14 (Department's 140 of March 6). The statement, which has my full approval, describes the origin, objects and methods of operation of the Lend-Lease Act and concludes as follows:

“In conclusion may I reiterate that lend-lease aid is not in any way an effort to establish American economic interests in India. It has only one purpose, namely, to assist India in her share of our common task—the defeat of the Japanese and Nazi aggressors. The foregoing statement is issued because of the United States Government's desire to correct the erroneous impressions attributing ulterior motives to lend-lease aid to India.”

PHILLIPS

845.24/424: Telegram

The Secretary of State to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, May 31, 1943—7 p. m.

266. Ambassador Phillips is writing Lane fully by airmail as to the nature of his new duties.⁸¹ In the meantime in order that the Department may be fully informed and thus able to evaluate the political significance of proposed shipments to India comment on civilian requirements approved by Ecker is desired.

Pending receipt of the Ambassador's letter to Lane which will also advise the Mission as to the scope of the comment needed by the Department, the Mission should cable briefly what materials are involved and whether in the light of the inadequacy of supply and

⁸¹ Clayton Lane, the Consul at Calcutta, was appointed to New Delhi as Director of War Economic Operations on April 26; Ambassador Phillips had returned to the United States for consultation.

shipping space the Department should for reasons of policy support the request at the War Production Board. In this connection refer for example to the Mission's 355 of May 20, 6 p. m.³²

The Department's function in the supply of essential civilian requirements is to coordinate the activities of other agencies, so that they are kept in harmony with over-all policies and the attainment of the objectives of the Mission is facilitated.

HULL

103.9168/331b : Telegram

The Secretary of State to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, June 5, 1943—7 p. m.

275. "For Ecker from Stettinius. Lend-Lease No. 8.

1. Preliminary conversations have been held with the British regarding need for silver for coinage purposes in India. It is stated that India will require 4 million ounces per month of silver for coinage purposes beginning in March, 1944. In order to be available for distribution in March, 1944, the first shipment must reach India in August or September, 1943.

2. It is alleged that because of substantial price rises the price of silver bullion may exceed the monetary value of silver, inducing melting of coinage. In order to prevent this, it is proposed to hold a larger stock of 100 million ounces in reserve to be sold in the market for the purpose of limiting and controlling the price of silver. This 100 million ounces would be furnished by the U. S., in addition to the silver required for coinage purposes.

3. The Indian Government will agree to return an equivalent amount of silver at the end of the war.

4. I shall appreciate a prompt investigation and report on silver conditions in India, including stocks controlled by the Indian Government in India or abroad, the extent of hoarding, coinage needs, the respective prices of silver bullion and silver in currency, and the feasibility of the proposed reserve as a means of controlling the price of silver."

HULL

³² Not printed.

845.515/493 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, June 13, 1943—1 p. m.

[Received June 14—7: 50 a. m.]

399. LL16. For Stettinius from Ecker. Referring your LL8.³³ Indian Government and Reserve Bank have 21,000,000 ounces silver in India and assure us they control no silver abroad. Local floating stocks negligible. Assuming bronze coinage continues as at present, combined monthly capacity of two Indian mints for silver is 9,000,000 ounces, if 6,000,000 used for rupees, which is greatest amount that equipment permits, and remainder for 8 and 4 anna coins. If mints operated to capacity silver stocks would be exhausted in September and therefore Government has reduced silver minting to less than 2,000,000 ounces monthly because it fears effect on morale that would follow suspension of all silver coinage. New mint at Lahore expected to be ready for full operation in October 1943. Unlikely that this would be used entirely for silver, but if it were would consume from 1½ to 6,000,000 ounces monthly depending on denominations.

Coinage needs for many months will be well in excess of capacity of three mints. Silver coins needed for three purposes: (1) 8 and 4 anna coins primarily to supply small change. Lack of small change now serious and is disrupting retail trade and causing suffering to the poorer classes. There is danger that resulting unrest might cause serious disturbances. (2) Reserve Bank issues 1 rupee note but climate makes this unsatisfactory for laborers and peasants. Furthermore, Indians are used to metallic rupee and lack of coins is having bad effect on public morale. (3) Indian traditionally turns to silver bullion and coin as saving medium. As result of present lack of silver peasants are hoarding commodities. Government assures us on basis of many reports from officials familiar with local conditions that if silver coins were again available large amounts of grain and other commodities would be released from hoarding.

Fetter has followed silver coinage situation closely and strongly supports Government view that present situation critical. He points out that in view of special Indian conditions use of silver coin to prove hoarding medium is desirable.

Bullion value of silver coin equal to monetary value at 200 rupees per hundred tolas at official exchange rate this equivalent to \$1.61 a fine ounce. In May 1943 price reached 139 rupees but now 123 rupees. Unlikely that silver will reach melting price but Government fears that should price reach around 170 rupees coin would be withdrawn and go to open premium in terms of paper rupee. Government informs us that recent high price led to some withdrawals from circulation.

³³ Telegram No. 275, June 5, 7 p. m., *supra*.

High price of silver due in part to speculation but also a reflection of inflationary monetary situation. Officials while publicly minimizing inflationary danger are privately alarmed and recent vigorous tax measures indicate governmental concern.

Success of 100,000,000 reserve in controlling silver prices will depend in part on Indians handling of general monetary situation and in part on availability of sufficient silver coin to satisfy hoarding demand for silver. Reserve is worth trying and because of connection between silver, hoarding of commodities, and stability by Indian economy the use of silver reserve can be considered closely related to war effort. [Ecker.]

MERRELL

845.515/497

Memorandum by the Assistant Secretary of State (Berle) to the Secretary of State

[WASHINGTON,] July 7, 1943.

MR. SECRETARY: Mr. Harry White of Treasury ⁸⁴ phoned this noon. He said he wished to inform us of an arrangement which they had been discussing with Sir Frederick Phillips, this time representing the Government of India.

The British had asked the United States Treasury to lend-lease them additional silver for the Indian currency; but in addition to that, they had asked that 100,000,000 ounces of silver be lend-leased them for the purpose of lowering the price of silver in India. The gradual inflation of currency there has led to a point where silver is being hoarded and melted down. The British propose an operation to stabilize the price below the melting point. As in other cases of lend-lease of silver, the British agree to return the silver ounce for ounce.

Mr. White said he and Morgenthau had followed their practice and taken this matter up with the Senate Committee on Banking and Currency which had finally expressed its agreement to it, though Senator McCarran ⁸⁵ had made some slight opposition.

Mr. White said he wished to inform us as a matter of courtesy and likewise ask any views we had. Since the transaction apparently has already been agreed on, there did not seem to be much point in making any comment. I said I would report the transaction. I should doubt whether the Department had any real objection, in view of the fact that we have made other similar arrangements without difficulty.

⁸⁴ Harry Dexter White, Assistant to the Secretary of the Treasury (Morgenthau).

⁸⁵ Senator Pat McCarran, Nevada.

Mr. White emphasized the need of great secrecy, since a leak might affect the bullion mark. I said we would certainly keep it secret here; but since the matter had been taken up with a Senate Committee we, of course, recognized the possibility of a leak from that quarter.

A[DOLF] A. B[ERLE], JR.

845.24/515

The British Ambassador (Halifax) to the Secretary of State

WASHINGTON, July 12, 1943.

DEAR MR. HULL: His Majesty's Government and the Government of India are, as you may already be aware, greatly concerned with the general economic position prevailing in India, and with the threat that this in certain circumstances might constitute to the war effort of India, and indeed to that of all the United Nations.

I do not trouble you with this situation in detail, but it is one of no little anxiety, and all those who are responsible for dealing with it hope that it may be possible to handle it with the least possible delay.

It seems clear that one of the principal remedies, to which we immediately have to look, is a reinforcement of the silver position in India and representatives of the British Treasury and of the Government of India are accordingly making arrangements to take this matter up with the United States Treasury forthwith.

I hope that from these conversations, and from such other discussions with the appropriate Departments of the United States Government as may prove necessary, agreement may be reached as to conditions on which the United States Government might feel able to lend early help to the Government of India at what plainly appears to be a time of exceptional difficulty. Such help indeed it would appear that the United States Government was alone in a position to render.

I thought it proper to make you acquainted with the approach that the representatives of His Majesty's Government and the Government of India are making to the United States Treasury, and I hope that if at any stage the matter should come under the attention of your Department, you will be good enough to give any help that you can towards reaching an agreed solution.

I would ask that this matter might be regarded as very confidential, as any public information in regard to it would be likely to have very undesirable consequences in India.³⁶

Yours very sincerely,

HALIFAX

³⁶ This letter was referred on July 13 by the Secretary of State to the Adviser on International Economic Affairs (Feis) with the specific injunction that Mr. Feis was "to report back."

845.24/515

*Memorandum of Conversation, by the Chief of the Financial Division
(Livesey)*

[WASHINGTON,] July 16, 1943.

Participants: Sir Cecil Kisch, Indian Supply Mission
Sir David Waley, British Treasury
Mr. Feis
Mr. Livesey

The interview was arranged pursuant to the Secretary's reference to Mr. Feis of the British Embassy's note³⁷ raising the question of lend-leasing silver to India. Sir Cecil Kisch said that discussion had already been had with Mr. Harry White of the Treasury Department, looking to the lend-leasing of 4,000,000 ounces of silver per month and an additional lump amount of 100,000,000 ounces. Although there is no legal provision that paper rupees must be redeemed in metal rupees, it is very desirable that metal rupees be always available to holders of paper rupees in order that the latter may not lose confidence and that the paper currency be not depreciated by the establishment of a premium for the metal rupees. In India, as elsewhere, there has been much hoarding of everything and metal rupees are now in short supply. It is therefore desired to import 4,000,000 ounces of silver per month for new coinage. It is also desirable to have a stock of 100,000,000 ounces, the existence of which will discourage speculation from pushing the price of silver up unduly.

The United States Treasury is considering the matter and has had inquiries for certain information sent to India. In the meantime Lord Halifax had thought it desirable to bring the matter to the attention of the Secretary of State in view of its importance to India and, therefore, to the war effort.

Sir David Waley, in reply to inquiries, said that from the point of view of the silver interests in this country a sudden abnormal uprush of the price of silver in India, which might result from failure of the United States to make silver available there, and the inevitable future collapse from any such exaggerated price increase, would not be as sound a development as the exportation of silver to meet the present wartime demand. From a general economic point of view, it was, of course, obviously desirable and important to the United States to prevent the disturbance to the war effort which an uncontrolled speculation in silver in India might cause.

Mr. Feis said that should occasion arise, he was sure the Secretary of State would be glad to interest himself in obtaining full consideration of the British and Indian position in the matter. It was agreed

³⁷ *Supra.*

that there appeared to be no immediate need of action on the part of the Department of State.

845.24/515

*Memorandum by the Adviser on International Economic Affairs
(Feis) to the Secretary of State*

[WASHINGTON,] July 19, 1943.

Subject: Lend-Leasing of Silver to India.

MY DEAR MR. SECRETARY: We have discussed this matter with the Senior Treasury Representative and an official of the Indian Government here on Treasury business. I believe this short Memorandum of Conversation³⁸ covers the main points of the present situation. It was agreed that the discussion should continue directly with the Treasury and the State Department should not enter into the discussion until or unless it becomes deadlocked, in which case the Embassy would inform us.

H. FEIS

845.24/512C: Telegram

*The Secretary of State to the Officer in Charge at New Delhi
(Merrell)³⁹*

WASHINGTON, August 11, 1943—11 p. m.

365. Reference Department's telegram no. 137, March 4, 10 p. m. Please ascertain informally the views of the Government of India with respect to the establishment of informal American-British-Indian collaboration in India in the review of India's import requirements exclusive of direct military needs. At the present time there is American-Indian collaboration in reviewing India's requirements from the United States and presumably British-Indian collaboration on requirements from the United Kingdom. In the opinion of this Government it would be desirable to consolidate the existing bilateral procedures into a tripartite arrangement which would provide an overall review of India's requirements from all sources.

This Government's position is based upon the premise that United States and United Kingdom programs for exports to India should be integrated to insure the provision of complementary supplies from the two countries and the most efficient utilization of productive facili-

³⁸ July 16, *supra*.

³⁹ Notation on the original by Mr. Elbert G. Mathews of the Division of Exports and Requirements indicated approval by the Army, Office of Lend-Lease Administration (OLLA) and Office of Economic Warfare (OEW) at a meeting of the India Area Committee on August 9, 1943.

ties in the two countries. A joint review of requirements in India is an essential first step in achieving such integration.

If the Government of India views with favor the suggestion for tripartite review of requirements, this Government will submit to it and the Government of the United Kingdom concrete proposals with respect to the procedures of tripartite collaboration. We have in mind an informal committee composed of American, British, and Indian representatives. The committee would not make its own survey of India's import requirements but would review the requirements data prepared by the Government of India.

If you or your advisers feel that there are special considerations which should be brought to the Department's attention before you approach the Government of India, your comments will be welcomed.

HULL

845.24/544

Memorandum by the Adviser on Political Relations (Murray) to the Assistant Secretary of State (Acheson)

[WASHINGTON,] August 14, 1943.

MR. ACHESON: Mr. Achilles of EU ⁴¹ has left with us the attached copy of a letter ⁴² from OLLA in which the latter organization expresses disagreement with the proposed draft of an *aide-mémoire* to the British Embassy ⁴² in which it is stated that the United States Government would be grateful were the United Kingdom Government to undertake to furnish as reciprocal aid raw materials from India in view of the fact that we have no reciprocal aid agreement with the Government of India and do not consider that it would be practical at this time to conclude such an agreement. OLLA asks that we express our willingness to approach direct the Government of India on the question of receiving raw materials from India as reciprocal aid. It is the contention of OLLA that Indian feeling would be ruffled were our approach to the Government of India in the matter different from our approach to the Dominions, that we have almost nothing to lose by so doing, and that the adoption of an opposite course (i. e. acting through the British) is capable of placing our Ally (Great Britain) in a very embarrassing position. I do not consider sound the argument advanced by OLLA.

The Indian position, as distinct from the Government of India's position, is in general that the Indians have not asked for lend-lease aid, do not particularly want lend-lease aid, and would probably have no need for lend-lease aid if it were not for the unwanted British

⁴¹ Theodore C. Achilles, of the Division of European Affairs.

⁴² Not printed.

domination in India. Many Indian nationals would, I believe, modify the above statement to the extent of saying that "Yes, if we were free we would be fighting Japan, but the fight would then be our own, and ours would be the responsibility in lend-lease matters. As it is, however, the fight is not our own, arrangements undertaken are not of our making, and ours is not the responsibility for lend-lease direct or reverse."

For us to make direct arrangements with the Government of India for the supply of \$87,000,000 worth of raw material (the amount involved as reciprocal aid) is tantamount to our requiring a contribution of \$87,000,000 from the Indian people to the war effort. That contribution may in this instance be required of the Indian people if the United Kingdom Government does not see fit to provide a sterling credit to compensate for the cost of the material. The British Government's failure to do so would in so far as I can see be the only cause for the "embarrassment" mentioned by OLLA. That is an inter-Empire matter and to relieve the British Government of this embarrassment we would by following OLLA's suggestion simply transfer to ourselves the onus of having arranged the deal with a government which the Indians claim to be unrepresentative in every way. It would appear to me that the cost of reimbursing the Government of India for the raw material, or such embarrassment as may accrue through failure to do so are a part of the price which Great Britain must expect to pay for its insistence on maintaining in India a government which is unrepresentative. Even if it is contemplated that the United Kingdom Government will in any event reimburse the Government of India for the cost of the materials, it is nevertheless felt that direct arrangements with the Government of India regarding a matter which the Indian people view with so little sympathy should be avoided and that Indian feelings would be "ruffled" by our dealing direct rather than by our failure to do so.

WALLACE MURRAY

845.515/507

Memorandum by the Chief of the Financial Division (Livesey)

[WASHINGTON,] August 27, 1943.

LEND-LEASING SILVER TO INDIA

After the meeting at the Treasury described in Mr. McGuire's⁴³ memorandum of August 24,⁴⁴ Mr. Livesey telephoned Mr. E. M. Bernstein of the Treasury that the Department was opposed in general to

⁴³ Paul F. McGuire of the Division of Exports and Requirements.

⁴⁴ Not printed.

lend-leasing materials direct to India, but would not oppose direct lend-leasing of 20 million ounces of silver to be used for currency purposes in India. This was the only direct lend-lease transaction with India the Department was prepared to approve, and it did not foresee any other transactions which it would approve. It would not approve the proposed lend-leasing of 100 million ounces of silver to India for anti-inflationary purposes. Any silver for this purpose should be lend-leased to the British Government and not to the Government of India.

Mr. Bernstein said he would immediately report all this to Sir Cecil Kisch of the India delegation and would proceed with the arrangements regarding the 20 million ounces for currency purposes.

Mr. Livesey then telephoned Mr. Knollenberg⁴⁵ of the Office of Lend-Lease Administration and told him the foregoing. Mr. Knollenberg said he was interested to learn that the Department of State shared his opposition to direct lend-lease arrangements with India. He had not known this.

845.515/503a : Telegram

The Secretary of State to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, September 1, 1943—11 p. m.

422. From Stettinius for Ecker. We have approved Indian Government requisition for 20 million ounces of silver for coinage during the next 5 months. The Government of India has agreed to return the silver within 5 years after end of national emergency in U. S., on ounce-for-ounce basis. Secretary Morgenthau and ourselves sponsored the Indian request for silver for coinage before the Senate Special Silver Committee, which approved the proposal. Advice regarding the 100 million ounce reserve will be sent to you later.

Promise has been given by us to keep in touch with Silver Committee, and promise has been given by Treasury that it will furnish Committee with statistics showing extent to which silver lend-leased to India for coinage remains in circulation. Please keep us advised on this whole subject.

[Here follows statement informing of the lend-lease of silver to certain other areas.]

[Stettinius]
HULL

⁴⁵ Bernhard Knollenberg.

811.20 Defense (M) India/1211a

The Department of State to the Indian Agency General

AIDE-MÉMOIRE

The United States Government and the people of the United States deeply appreciate the aid which has been rendered by the British Indian authorities to the United States forces which are now in India to assist in the prosecution of the war against the Axis nations. This aid and the spirit in which it has been given are splendid examples of the principle of mutual aid governing our common war effort. It is, however, the feeling of the United States Government that it would be mutually advantageous to carry this principle of mutual aid a step further.

It is proposed, therefore, that the reciprocal aid program be extended to include the furnishing, without payment by the United States, of those materials which are imported from India or from Indian sources by agencies of the United States Government.

The United States Government procurement program contemplates the acquisition in India during the fiscal year beginning July 1, 1943 by official agencies of the following commodities: bristles, burlap, cashew nut shell oil, ferro manganese, goatskins, jute, manganese, mica, shellac, Sunn hemp, and tea.

The foregoing is not, and by its nature cannot be a definitive statement of the specific commodities which the United States Government might wish to bring within the program. It is submitted rather as an indication of the approximate scope of the contemplated program.

In response to a request from the Government of the United States to the British Government that its current program of material purchases in the British Empire be transferred to a reciprocal aid basis, the Government of the United Kingdom has agreed to furnish as reciprocal aid materials imported by United States Government agencies from the United Kingdom, Southern Rhodesia and the Colonies, and has requested that the United States discuss with the Governments of the Dominions and of India the procurement program in so far as it relates to their respective areas. It is understood that the British Government has kept the Government of India informed regarding its conversations with the United States Government on the subject.⁴⁶

It would be greatly appreciated if the Agent General for India would make the foregoing known to the appropriate authorities in order that discussions of detail can be undertaken.

WASHINGTON, October 6, 1943.

⁴⁶ For previous correspondence relating to this subject, see *Foreign Relations*, 1942, vol. I, pp. 537 ff.

845.24/560 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, November 1, 1943—11 a. m.

[Received 6:30 p. m.]

813. Ecker informs Mission that after preliminary discussions and absence from Delhi of Secretary of Supply Department, concrete proposal for Joint Imports Committee representing Government of India, HMG⁴⁷ and US is now being considered by Government of India. This committee is to give consideration to policy decisions affecting industrial program, which is basic reason for imports requirements. Full scope of their field of operations to be developed as discussion proceeds. Answer expected within 2 weeks. Reference Department's 365, of August 11.

MERRELL

845.24/561 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, November 1, 1943—2 p. m.

[Received 6:30 p. m.]

816. Screening of imports discussed further by Lane and Ecker. Reference Mission's 813, November 1, and Department's 365, August 11. They agree that Government India has not provided adequate record of use of Lend-Lease imports and that record of use of indigenous materials of kind thus imported is inadequate. Also that situation requires emphasis that United States is partner not merely supplier and must therefore have more basic information and participation in planning stage before indents are prepared.

Ecker has expressed this view to Waugh Secretary Supply Department who undertook to convey to others concerned.⁴⁸

MERRELL

845.515/532

The British Ambassador (Halifax) to the Acting Secretary of State

WASHINGTON, November 9, 1943.

MY DEAR ED: On July 12 I wrote to The Secretary about the reinforcement of the silver position in India, and I was very grateful to hear that the State Department soon after promised Sir Cecil Kisch

⁴⁷ His Majesty's Government.

⁴⁸ Upon his return to Washington in December, Mr. Ecker told the Department that, despite the reluctance of the British and Government of India authorities to adhere to such an arrangement, there had been formed a tripartite committee which would make it possible for the American lend-lease representative in India to get a clearer view of the problems of India's import requirements.

and Sir David Waley that they would see if they could help, if the negotiations with the United States Treasury did not move rapidly to a successful conclusion.

I now enclose a copy of a letter which I am writing to Mr. Morgenthau from which you will see that as regards silver for sale in the market the matter has not moved forward at all since July. You will see from my letter that the Government of India regard this question as one of great importance and real urgency. I am accordingly now writing to you to say that I very much hope that you can give me your help.⁴⁹

Very sincerely,

HALIFAX

[Enclosure]

*The British Ambassador (Halifax) to the Secretary of the Treasury
(Morgenthau)*

[WASHINGTON,] November 9, 1943.

You will remember that I told you in the summer that the Government of India attached very great importance to their request for 100 million ounces of silver for sale in the market, and that the United States Government could give valuable help to them in their present economic problems by a speedy acceptance of this request. The Government of India have greatly appreciated the assistance which the United States Government have already given in providing 20 million ounces of silver for coinage.

But coinage was only one of two complementary moves in protecting the Indian economy, of which the other is the sale of silver to prevent the market price from rising. The approach of the South Eastern Asiatic campaign adds to the problem an increasing urgency as it will inevitably aggravate the inflationary position in India, and renders it more essential than ever that every step to combat inflation be taken immediately. I was therefore disappointed to learn that the United States Treasury told Mr. Mahindra and Sir David Waley on November 8th that it is their decision that the matter should still be deferred.

The reasons for which the Government of India attach so much importance to the matter were fully stated in Sir Cecil Kisch's letter to you of the 27th August and I need not repeat them. I would only say that it is the considered opinion of the Government of India, who are faced with such grave economic difficulties, that the United States Government could give them very real help by meeting their request and that the matter is really and increasingly urgent. You will realize

⁴⁹ In an acknowledgment on November 12, Mr. Stettinius said the Department would do "everything possible to be helpful."

how serious a blow to the common war effort it will be if economic troubles in India cannot be kept in check. Since the Government of India who have this grave responsibility are so strongly of the opinion that the sale of silver on the market is both important and urgent, I trust that you may feel able to reconsider the matter, and give a very present help in this time of trouble.

Yours sincerely,

HALIFAX

845.24/582

The Indian Agent General (Bajpai) to the Secretary of State

The Agent General for India presents his compliments to the Secretary of State, and has the honour to refer to the Department of State's *aide-mémoire* dated October 6th, 1943 regarding the proposed extension of the reciprocal aid programme to raw materials.

2. As requested, Sir Girja Shankar Bajpai conveyed the views of the Government of the United States to his Government, and he has now received a reply to the following effect. While his Government are considering sympathetically the request of the United States Government for the inclusion of raw materials in reciprocal aid, the proposal has raised certain difficulties which are not easy to overcome. The Agent General regrets that he is not yet able to say whether it may be found possible to meet the request of your Government in full; but he expects shortly to be in a position to communicate to you the considered views of his Government on this question.

[WASHINGTON,] November 15, 1943.

845.24/577

The Indian Agency General to the Department of State

AIDE-MÉMOIRE

Reference is invited to the Department of State *Aide Mémoire* dated October 6, 1943 on the subject of Reciprocal Aid and to the interim reply sent on November 15, 1943.

The Government of India are gratefully conscious of the extent of the assistance which they have received from the Government of the United States, and appreciating the desirability of extending still further the existing principles of mutual aid, accept the proposals contained in the Department of State's *Aide Mémoire* of October 6, 1943, to the extent that the raw materials in question are required directly for war purposes.

The Government of India were under the impression that the scope of the United States Government's proposals would embrace only raw

materials and foodstuffs. They note, however, that the expression used in the *Aide Mémoire* is "materials" and not "raw materials". They also note that burlap, which is a manufactured article, is included in the contemplated procurement programme. While the Government of India are prepared, as a special case, to agree to the inclusion of burlap, they would emphasise that, with this exception, their agreement embraces raw materials only and not manufactured goods.

The Government of India propose to give effect to this agreement in respect to each commodity as soon as procedural and administrative arrangements can be introduced in each case.

[WASHINGTON,] 15 December, 1943.

**DISCUSSIONS REGARDING PROPOSALS FOR THE COORDINATION OF
ANGLO-AMERICAN PURCHASES IN INDIA OF STRATEGIC RAW
MATERIALS**

811.20 Defense (M) India/65 : Telegram

*Mr. William Phillips, Personal Representative of President Roosevelt
in India, to the Secretary of State*

NEW DELHI, January 22, 1943—4 p. m.

[Received January 23—9:03 a. m.]

57. In pursuance of Department's 5986 of November 27, midnight,⁵⁰ to London and in continuation of my 51 of January 20, 6 p. m.,⁵¹ following is outline of plan for coordination of purchases of strategic raw materials in India. I am satisfied that the coordination desired by the State Department can, in this particular field of activity, be centered at Calcutta and can best be exercised by the Consul General⁵² acting on behalf of the Mission. Whenever problems arise requiring approach to the Government of India the Mission will be in a position to act. The following proposal has been carefully studied and discussed by the Consul General with the representative in India of the Board of Economic Warfare; American members of the Joint Mica Mission (except Waddell who has departed for United States); with Moseley, senior British purchasing official in India, who is head of Joint Mica Mission; also with Wilcox, shellac representative for British and American Governments. All these persons have given the

⁵⁰ Not printed, but see footnote 2, p. 178.

⁵¹ Not printed; in this telegram Ambassador Phillips recommended that Clayton Lane, Consul at Calcutta, be transferred to New Delhi, there to act as "Coordinating Officer". (123 Lane, Clayton/106)

⁵² Kenneth S. Patton.

idea enthusiastic support. The plan furthermore appears to be in entire conformity with Diplomatic Serial 3553 August 15, 1942.⁵⁴

(1) It is proposed to establish a "joint office of strategic materials" in India with a membership consisting of the senior representatives of all official British and American purchasing agencies functioning in this country. Questions of policy and administration would be dealt with by an Executive Committee consisting of Moseley, the American Consul General, and two other British and two other American members. Other official representatives would sit with the Committee when questions affecting their particular commodities or fields might arise. The Consul General, who would function as deputy chairman of the Committee, would of course carry out the policies and directives of this Mission.

(2) This plan provides for effective coordination and centralization of authority and information without disturbing present purchasing practices, whether through Government agencies or private trade channels. It would likewise eliminate possibility of competitive buying by British and American Governments. The direct relationship of the individual members with their respective agencies would not be impaired.

(3) British Government has already approached Moseley with a view to setting up a unified British purchasing organization here but Moseley favors joint effort.

May I have your views.

PHILLIPS

811.20 Defense (M) India/65 : Telegram

The Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

WASHINGTON, February 17, 1943—6 p. m.

95. Your 57, January 22, 4 p. m.

1. The Department is glad to have your suggestion for a Joint Office of Strategic Materials and believes that it should be created immediately. It is not clear from your telegram, however, who is to be the Chairman of the Committee. The Department has consulted the Board of Economic Warfare and the Reconstruction Finance Corporation regarding this proposal and both of them concur on the assumption that this office would be for consultative and coordinating purposes only.

[The remainder of this telegram, relative to India's import requirements, is printed on page 252.]

HULL

⁵⁴ Not printed; this circular telegram transmitted to certain Missions and Consulates detailed instructions concerning the coordination of the activities in foreign countries of all civilian representatives of the Executive Department (127.6/166a).

811.20 Defense (M) India/181: Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, February 20, 1943—11 a. m.

[Received February 20—8:04 a. m.]

162. Department's 95, February 17, 6 p. m. Reference paragraph 1, it was recommended by Patton and Lane, who first submitted plan to me, that U. R. Moseley, British, present head of Joint Mica Mission and former official of Eastern Group Supply Council here, act as chairman of Committee. He is able and cooperative.

A further expression of your views will be appreciated after additional details of the plan, transmitted in my airmail despatch No. 13 dated January 30⁵⁵ have been considered.

Comment on paragraph 2 of Department's message will follow.

PHILLIPS

811.20 Defense (M) India/181: Telegram

The Secretary of State to Mr. William Phillips, Personal Representative of President Roosevelt in India

WASHINGTON, March 15, 1943—1 p. m.

154. Your no. 162, February 20, 11 a. m. Your mail despatch no. 13 of January 30th,⁵⁵ enclosure 1 sets forth a more comprehensive and formal organization than had been contemplated by us.

BEW⁵⁶ under arrangements made here will take over all purchases of materials for import to the United States. Other agency employees engaged in negotiating import materials contracts will be transferred to BEW. Thus all United States Government purchasing activities by civilian agencies will be coordinated into one group. Swerling will be appointed by the Board as acting head of this purchasing group.⁵⁷ All employees of other civilian agencies engaged in purchasing materials are, until their transfer, to be responsible administratively to Swerling.

United States purchasing group should remain autonomous and should not in any sense be merged with British Supply Mission. Nevertheless mechanism for clearance policy determinations in regard to terms, prices and so forth should be established. We naturally favor close collaboration with British Supply Mission. Neverthe-

⁵⁵ Not printed.

⁵⁶ Board of Economic Warfare.

⁵⁷ By telegram No. 126, March 18, 1943, midnight, to the Consul General at Calcutta, Simon Swerling, representing the Board of Economic Warfare, was designated head of the United States Purchasing Group in India (811.20 Defense (M) India/178).

less we would not desire an arrangement that will interfere with the autonomy of the U. S. purchasing group. Instead of the proposed joint office of strategic materials would it not be possible to establish a joint policy committee. Such committee could clear all matters affecting both groups and would meet regularly. This committee's personnel could be the same as that proposed for the executive committee suggested in your despatch enclosure No. 1, paragraph 1.

HULL

811.20 Defense (M) India/438 : Telegram

Mr. William Phillips, Personal Representative of President Roosevelt in India, to the Secretary of State

NEW DELHI, April 16, 1943—3 p. m.

[Received 6 p. m.]

289. Mission approved suggestions made in following telegram from Calcutta.

61. April 15, 4 p. m. At informal discussion of arrangements in Department's 154⁵⁸ repeated your 43, Moseley approved but desired consult London and has only received reply today on his return to Calcutta. London has approved the plan and forwarded to Washington Moseley's suggestion that the Committee be informal and a liaison rather than policy committee and activities initially confined to pooling of information and avoiding clashing on prices et cetera. London has added the suggestion that they desire only one member on Committee which will be Moseley. Swerling and we consider set up satisfactory and agree that term Liaison Committee preferable to Policy Committee.

PHILLIPS

845.24/472a

Mr. William Phillips, Personal Representative of President Roosevelt to India, to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, July 12, 1943.

MY DEAR GEORGE: Since my arrival in Washington I have discussed with various officers in the Department the duties Lane⁵⁹ is expected to perform as the Mission's representative in the coordination of the activities of American war agencies in India. In this letter I wish to convey to you and Lane the information I have received as to the Department's expressed wishes for the effective and efficient supervision of the work of the representatives of these agencies in India.

⁵⁸ March 15, *supra*.

⁵⁹ Clayton Lane, Consul at Calcutta, had been appointed to New Delhi as Director of War Economic Operations on April 26; Ambassador Phillips had returned to the United States for consultation.

[Here follows a discussion of attempts by the United States to establish with the British the principle of joint examination of India's import requirements; for correspondence, see pages 246 ff.]

Now a few comments on our procurement program in India. As you are aware, India is one of the fruitful sources of strategic materials: jute and jute products, shellac, cashew nut shell oil, goat skins, mica, manganese, and other mineral products such as kyanite, chromite, talc, and beryl. Certain of these materials are obtainable in quantity only from India; and the cessation or curtailment of their flow would severely prejudice the war effort.

On the whole, the procurement program of the United States in India has gone forward successfully. Almost all methods of purchase have been employed: private buying, United States Government buying, and joint British-American buying. The practice has been to adopt whatever method seemed best adapted at the time for the particular commodity concerned; there has been no predilection for any one method of procedure. With respect to certain items, shellac in particular, considerable discussion and divergence of opinion has arisen as to the best method to be followed. It has been the attitude of the Department and of the Purchasing Agencies to maintain an objective outlook and to avoid precipitate decisions and changes of policy. In order to obtain the most complete information upon the difficult problem of obtaining adequate supplies of shellac, the Board of Economic Warfare is having a special investigation made by Mr. Gillespie who plans to leave for Calcutta at an early date.

It has also been the studied policy to maintain close cooperation with the British Supply Agencies in the purchase of Indian strategic materials. It is believed that the Joint Mica Mission has, on the whole, achieved a very considerable measure of success. Even with respect to commodities where no formal cooperation has existed, it has been felt that mutual consultation has been most helpful. Some months ago, the suggestion was made by the American Consul-General in Calcutta and by Mr. Simon Swerling, the representative of the Board of Economic Warfare, that there be established in Calcutta a "Joint Office of Strategic Purchases". This proposal has laterally been under active consideration. It has been the attitude here that it would not be best to establish machinery which would merge the buying programs of the two countries, but that it would be preferable to have a "Joint Policy Committee" which could exchange pertinent information and discuss policies of mutual interest.

As you know, India is also an area of transshipment for strategic materials from China; namely, tungsten, tin, bristles, tea, silk etc. These commodities arrive by air at Dinjan and are exported to the United States by steamer from various Indian ports. The Board of Economic Warfare has sent representatives to expedite these ship-

ments. It would seem likely, however, that there will be ways and occasions in which the Department's representatives may appropriately lend their assistance.

The Department believes that the Mission should in general keep a watchful eye upon our whole procurement program without having to become too immersed in detail. The general purpose would be that, from a more detached viewpoint, the Mission might be in a position to make helpful suggestions or to point out harmful developments. This would be particularly true of developments wherein the operation of the procurement program might be adversely affecting relations with the British or Indian governments, officials, or other categories of persons or interests. In making such observations, there should, however, be borne in mind the primary responsibility for the procurement of strategic materials with which the Board of Economic Warfare is definitely charged.

I trust the above rather lengthy commentary will give you and Lane a clearer conception of the Department's objectives in so far as its requirements and procurement programs are concerned.

My warmest personal regards to you and all the other members of the Mission.

Sincerely yours,

WILLIAM PHILLIPS

811.20 Defense (M) India/181 : Telegram

The Secretary of State to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, August 3, 1943—9 p. m.

346. Department's No. 154 of March 15, 1 p. m. We have received from the British a proposal for the establishment of a joint Anglo-American "liaison Committee" to consider general policies for the purchase of strategic materials in India. Proposal is similar to the plan outlined in your No. 289 of April 16, 3 p. m. Office of Economic Warfare is in accord with this proposal as a mechanism for informally coordinating activities.

It is agreed here that such Committee should not have executive powers or engage in joint operations; or should the autonomy of our procurement mission be limited. However, we wish to make clear that there is no intention to curtail the Committee's usefulness by proscribing discussion of operating details such as questions relating to rail movements, price levels of commodities, etc. In fact, agreed recommendations on such items should prove extremely useful both here and in London. It is felt, moreover, that, through the pooling of information and informal discussions, it may be feasible to resolve possible conflicting needs of the two governments in various matters such as port priorities and inland transport. In such matters as

these members of the Liaison Committee will naturally in the first instance consult with the principal representatives in India of WSA⁶⁰ and MWT.⁶¹

On the foregoing basis the Consul General at Calcutta and Swerling are authorized to work out arrangements for such liaison committee with the local British representatives. Office of Economic Warfare designates Swerling as its representative on the Committee and, as indicated in your No. 239 [289], it is understood that Moseley will be the British representative.

Please instruct Calcutta to report steps taken to form Committee and keep the Department and the OEW informed of its activities.

HULL

REPRESENTATIONS IN SUPPORT OF THE APPLICATION BY THE UNITED PRESS FOR THE LEASE OF TELETYPE TELEGRAPHIC LINES IN INDIA

811.91245/7a : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, March 31, 1943—midnight.

2009. United Press since December 1941 has been endeavoring—so far without success—to lease teletype telegraphic lines from the Posts and Telegraphs Department of the Government of India to serve prospective clients in India who include some of the principal newspapers in that country. On the other hand, Reuters leases such facilities thus creating a monopoly in favor of Reuters because of the fact that without the use of such leased wires it is impossible for United Press to supply a satisfactory news report to the newspapers of India. Should United Press transmit its service over telegraph lines open to the general public, it would mean that the UP service always would arrive at the newspapers at least 24 hours after the Reuters service had been delivered by leased wire.

The UP's request for such facilities has been denied on the ground that the present heavy demands on the telegraphic system for war purposes render it impossible to make any such wires available to the UP. UP believes that the wire facilities are available in India for lease to it, and it states that it is prepared to furnish the automatic typewriters over which the service would move if the Indian Government will agree to lease it the necessary wire facilities. In this connection it should be noted that Lend Lease has just received a request for 35,000 miles of wires for telegraph and telephone facilities in India. As a last resort the UP suggests that if the Government of

⁶⁰ War Shipping Administration.

⁶¹ Presumably Ministry of War Transport (British).

India cannot be prevailed upon to provide the desired telegraph facilities it be allowed to lease a wireless circuit from Bombay to the interior points of India over which the UP could transmit its service to the principal newspapers of India. The UP in the latter circumstances would supply the necessary transmitter in Bombay and the necessary reception equipment in the other cities of India.

The UP feels, and we agree with it, that its request for wire facilities in India is only fair since Reuters is granted the fullest opportunity to sell and distribute its news service throughout the United States on the basis of the enjoyment of complete equality with the American news services in the use of all telegraph and other facilities, and in the terms and conditions therefor. The Department has ascertained from the A. T. & T.⁶² that the company leases a number of teletype private wires to Reuters in this country.

I wish you would bring this matter personally to the attention of the Foreign Office and stress the fact that we attach a great deal of importance to it. We feel strongly that, in view of the fact that although we have not considered the principle of reciprocity in this respect as regards United Kingdom, British news agencies in the United States and its territories are placed on the same basis as American news services and in view of the highly desirable objective that there should be the freest possible interchange of information between the United States and the British Commonwealth of Nations, it is absolutely essential that American news services should be accorded the same facilities in these countries that are accorded to British news services in this country.

Please inform the Foreign Office that we shall not rest content until some solution is found to this problem and we confidently leave to you the best method of reaching this objective. Please telegraph Department the result of your intervention in this matter.

For your information, should the Foreign Office suggest that representations on the subject should properly be made to the Government of India by the American Mission at New Delhi, representations already made in that manner have thus far met with no favorable response.

HULL

⁶² American Telephone and Telegraph Company.

811.91245/19 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, April 30, 1943—8 p. m.
[Received April 30—3:31 p. m.]

2993. Department's 2672, April 28, 3 p. m.⁶³ concerning United Press service in India. We took this matter up promptly with the Foreign Office, stressing its importance. Foreign Office, on considering the matter, found it necessary to consult the Government of India. Foreign Office is now awaiting word from the Government of India. We have been assured by the Foreign Office that it will do everything it can to give us a definite reply as soon as possible.

WINANT

811.71245/22 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, June 8, 1943—4 p. m.
[Received 4:25 p. m.]

3874. Embassy's 2993, April 30, 8 p. m. Within the past few days we again impressed on Foreign Office the importance and urgency of providing United Press with adequate teletype telegraphic service in India. Foreign Office regrets that there has been so much delay in this matter. Its urgency Foreign Office says has been impressed personally on the Viceroy and Foreign Office has been assured that matter is under consideration by the Government of India. Foreign Office adds that it appears however that the question is a complicated one and while it will continue to press for a reply it fears that some further time may elapse before definite answer is received.

WINANT

811.71245/22 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Winant)

WASHINGTON, June 10, 1943—10 p. m.

3621. Contents of your 3874, June 8, have been duly noted and communicated to United Press.

Please continue to impress upon British authorities importance which this Government attaches to United Press obtaining adequate teletype service in India.

HULL

⁶³ Not printed; it requested "a reply as soon as possible" to telegram No. 2009, March 31, *supra*.

811.91245/33 : Telegram

*The Ambassador in the United Kingdom (Winant) to the Secretary of State*LONDON, July 30, 1943—4 p. m.
[Received July 30—12:20 p. m.]

4969. Department's 3621, June 10, 10 p. m. We approached Foreign Office again on United Press teletype telegraphic requirements in India and have just been told that a definite reply from the Government of India was expected shortly. Meanwhile, Foreign Office promises to continue to maintain pressure on Government of India.

WINANT

811.91245/32 : Telegram

*The Ambassador in the United Kingdom (Winant) to the Secretary of State*LONDON, August 27, 1943.
[Received August 27—9:20 p. m.]

5650. Embassy's 4969, July 30, 4 p. m. Following communication just been received from Foreign Office.

"The correspondence which has recently taken place between the Government of India on the one hand and the United Press and Mr. Phillips⁶⁴ on the other has been made available to us, and I can assure you that His Majesty's Government are satisfied that the Government of India have examined the possibilities very thoroughly and have not dealt or attempted to deal, with the request of the United Press for the lease of teletype telegraphic lines on a discriminatory basis and that their inability to make such lines available to the United Press has been wholly due to the pressure of war conditions.

Bearing in mind the present congestion of the Indian telegraph system, of the delays to which telegrams whether military or civil, private or press, are liable and the increasing demands on that system which the development of the war against Japan will probably impose, His Majesty's Government feel bound to agree with the Government of India that the latter would not be justified in turning over for non-official use any of their own available equipment and civil requirements for the prosecution of the war effort of the United Nations in India. They therefore agree with the Government of India that the latter are in no position to consider the request of the United Press in regard to teleprinter circuits until their own needs, immediate and prospective, have been fully met.

As for the alternative proposal, that the United Press should be allowed to lease internal wireless circuits in India, the view of the Government of India, which His Majesty's Government regard as valid, is that in the present war time conditions consideration of

⁶⁴ William Phillips, Personal Representative of President Roosevelt in India (at this time temporarily in the United States); for correspondence on the Phillips Mission, see pp. 178 ff.

defense and military security preclude the transmission of news within India by wireless telegraph, since such transmissions are liable to interception by the enemy. It is moreover impossible to provide the large trained staff which would be required to pre-censor such messages."

WINANT

811.91245/31

Memorandum of Conversation, by Mr. Calvin H. Oakes, Assistant to the Adviser on Political Relations (Murray)

[WASHINGTON,] September 9, 1943.

Participants: Mr. William Phillips
Mr. Murray
Mr. Oakes

Mr. Phillips inquired regarding the present status of the UP application for facilities in India which if granted would enable that organization to furnish Indian newspapers with a service competitive to Reuters. Mr. Phillips was informed that the Embassy at London had advised the Department under date of August 27 that the British Government supported the contention of the Government of India that because of lack of telegraph lines and because of security reasons affecting the proposed use of radios, UP's request for facilities could not be granted.

There was general agreement that the arguments of the Government of India and the British Government were not valid, and Mr. Phillips emphasized that in his opinion the matter should not be dropped. He stated that there was involved far more than the question of whether an individual American news agency should be allowed to function in India. It was in his opinion highly inadvisable that this Government should accept without protest a decision by the British or Indian government, based on arguments which did not appear to us to be sound, that an American organization should be excluded from competition in India with a British rival. The matter was aggravated in the present instance by the fact that the organization in question could render a real service to the many Americans now in India who had been sent there in connection with the common effort which the United States and Great Britain are making against the Axis.

It was decided that, after Mr. Phillips had had an opportunity to hear further from the UP with a view to reclarification of their position in the matter, a further communication should be addressed to the Embassy instructing it to make known to the Foreign Office the attitude of this Government.

811.71245/24 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, September 16, 1943—midnight.

5684. Your 5650 of August 27. Substance of your telegram has been discussed with representatives of United Press and Ambassador Phillips. It is the Department's desire that vigorous efforts be continued with a view to effecting a reconsideration of the decision reached by the Governments of the United Kingdom and India, and that there be emphasized to the Foreign Office the strong feeling of this Government in the matter. There are cited below considerations which should be presented to the Foreign Office:

1. While it is true that wireless transmissions from any point in India would be subject to interception by the enemy such interception could in no way give aid or comfort to the enemy since all material transmitted would have been precensored by the Government of India.

2. Further, nearly every despatch would have previously passed through British censorship in London or American censorship or both. It is the Department's understanding that all news despatches from this country destined for India pass through London whence they are sent by cable or radio to India.

3. Thus there would be double and in many cases triple censorship besides the fact that most news material would already have been transmitted by wireless throughout the world and thus would be available to the enemy before distribution in India.

4. United Press recognizes that in certain Indian centers from which it has requested wireless transmission facilities there may not now be sufficient censorship and security personnel but it believes that in at least three of those centers, Bombay, New Delhi and Calcutta, adequate personnel for such control already is available. It is suggested, therefore, that at least for the time being transmissions be limited to those three points.

5. The wireless facilities which are being requested in India on behalf of United Press are available in the United States to any responsible British or other friendly foreign news agency desiring to use them.

6. It was United Press' original intention and preference to offer to Indian newspapers a service of foreign news only. Prospective Indian newspaper clients of the UP have pointed out that UP must also be prepared to deliver a service of Indian news. Otherwise, because of the monopoly clause in Reuter contracts newspaper publishers using UP foreign service might not obtain any Indian news. If it were not for the Reuter monopoly clause the UP could enter the Indian field as a supplementary service, competing with Reuter in foreign news only—given facilities for distribution of even a foreign news service from the cable head at Bombay.

It is believed that the foregoing explanations satisfactorily dispose of the security problem involved. In the Department's estimation,

however, the whole problem of the operation of UP in India far transcends the question of any possible technical difficulties involved. It raises the question whether in the territories of the United Nations free competition will be allowed to enterprises of nationals of the United Nations on a basis of reciprocity. As has already been pointed out above should Reuters desire the use of the same kind of facilities in the United States that are being asked for UP in India it could obtain them without difficulty. While the Department is obviously not unmindful of the special circumstances obtaining at this time in India it should be pointed out that UP has no desire to render that situation more difficult by its presentation of news, and that furthermore, ample and adequate safeguards are provided by existing censorship both in England and in India. I hope, therefore, that when you bring this case again to the attention of the Foreign Office you will emphasize in an urgent manner the importance which the Department attaches to it.

As Ambassador Phillips is proceeding to London he will be available for consultation. As you know Ambassador Phillips is thoroughly familiar with all the aspects of this case. Please keep Department closely advised by telegraph of all developments in this case.

Repeated to New Delhi.

HULL

811.91245/36

*The Adviser on Political Relations (Murray) to Mr. William Phillips, Personal Representative of President Roosevelt to India*⁶⁵

WASHINGTON, October 16, 1943.

MY DEAR MR. PHILLIPS: With reference to the question of United Press facilities in India, the Mission reported on October 7, 1943 that the Far Eastern manager of the United Press, Mr. Morris, had felt that it was inadvisable to make further approaches to the Government of India on this subject pending an intimation from General Auchinleck⁶⁶ requested by Mr. Morris, as to whether in the General's opinion the desired facilities could be provided without jeopardizing national security. General Auchinleck recently informed Mr. Morris that he was not in a position to approve the United Press request. Mr. Morris infers that the General's reply was based on instructions from London.

The Mission reports that it feels that further approaches to the Government of India would be inexpedient at this time unless the efforts of the American Embassy at London meet with some success.

⁶⁵ Addressed to Ambassador Phillips in London, where he was acting temporarily as representative of the Secretary of State at the headquarters of the Supreme Allied Commander.

⁶⁶ Sir Claude Auchinleck, British Commander in Chief in India.

The United Press case has unfortunately been further prejudiced with the Government of India through an incident which occurred some weeks ago. An American Army periodical in New Delhi, *The Round-Up*, has been publishing each week a column by Drew Pearson.⁶⁷ Recently Pearson obtained, by means which have not yet been ascertained, a copy of a letter from John Fischer⁶⁸ to Leo Crowley⁶⁹ and quoted in his column those paragraphs critical of the Government of India. (I believe you saw a copy of this letter when in Washington.) Unfortunately the individual in the United Press responsible for sending to *The Round-Up* extracts from Pearson's Washington column included in the material sent to New Delhi Fischer's statements as quoted by Pearson. The Government of India has of course been somewhat outraged that an effort was made to publish this material in India and undoubtedly places much of the blame upon the United Press.

I am inclined to agree, therefore, that further representations by the Mission on behalf of the United Press would not be well received by the Government of India at this time.

Sincerely yours,

WALLACE MURRAY

DELINEATION BY THE UNITED STATES OF ITS POSITION WITH
RESPECT TO THE INDIAN FOOD CRISIS

845.5018/47 : Telegram

*The Officer in Charge at New Delhi (Merrell) to the Secretary
of State*

NEW DELHI, August 26, 1943—5 p. m.

[Received August 26—3:20 p. m.]

583. In a very frank conversation with Berry⁷⁰ last night, the Director General of Supply bitterly criticized the food policy of the Central Government and particularly the manner in which it is handling very serious famine conditions in Bengal. He said it had been obvious for a year that imports of wheat are only solution and added that six shiploads of wheat from Australia or elsewhere would remedy matters. He contends that United States or Britain should immediately make these ships and supplies available in view Bengal's strategic relation to war effort. People of Bengal who are daily dying of starvation in large numbers will, he said, eat wheat in absence of rice despite considerable contrary opinion. He added he had

⁶⁷ Drew Pearson, American newspaperman, writer of a syndicated column entitled "The Washington Merry-Go-Round".

⁶⁸ Senior representative in India of the Office of Economic Warfare.

⁶⁹ The Administrator, Foreign Economic Administration.

⁷⁰ James Lampton Berry, Secretary at New Delhi.

just come from conference with high ranking British General to whom he had said in substance :

"It is all very well for military to say 'Give us the stones to throw and we will do the rest' but how am I to get the stones from a hostile and starving population".

He said neither present Viceroy ¹¹ nor British military appreciate the grave dangers involved in operating from a base where economic and political conditions are such as exist in India today. He expressed hope Wavell would view matter differently.

Mission requests cabled information whether wheat shipments to Calcutta have left Canada or United States or are contemplated and in what quantities. Local representative British Ministry War-Transport says wheat already shipped from Canada.

MERRELL,

845.50/60

Memorandum by the Adviser on Political Relations (Murray) to the Chief of the War Commodities Division (Cissel)

[WASHINGTON,] August 28, 1943.

MR. CISSSEL: Much concern is felt in the Department and by the Mission at New Delhi regarding the serious food situation existing in India which is particularly acute at present in Bengal. People are reported to be dying daily in the streets of Calcutta of starvation, many of them having filtered into the city from the country areas which are described as foodless. In this connection a recent despatch from the Mission at New Delhi ¹² contains the following statement:

"The steady incursion of famished villagers is partly responsible for the rising number of deaths by starvation in the streets of Calcutta. The Chief Minister of Bengal has publicly admitted that his only reason for not declaring Bengal a Famine Area is the impossibility of carrying out his Government's responsibilities under the Famine Code. The English President of the Calcutta Rotary Club has written to the local newspapers urging that starving people not be turned away from hospitals, when brought there in a state of collapse, and that the Municipality find some more adequate means of gathering the bodies of those who die in the streets. These grim reminders that famine is leaving its victims in the streets of the second city of the British Empire do not exaggerate the situation."

While the situation in Bengal has been aggravated by floods and hurricanes and hence is the worst, conditions of a very serious sort are understood likewise to exist in Madras and Bombay.

It is felt that the repercussions are obvious which may be expected upon military operations in an area where the population is both

¹¹ The Marquess of Linlithgow, due in October to be succeeded by Field Marshal Sir Archibald P. Wavell.

¹² No. 164, August 6, 1943, not printed.

hostile and starving. Already a marked increase in crime and sabotage has been noted in some areas. The peculiarly strategic position of Bengal in regard to military operations against Japanese-held territory is also apparent.

With these considerations in view it is strongly recommended that an effort be made to prevail upon the Combined Food Board to set aside a contingent allotment of rice, which I understand might be possible through the utilization of stocks now in this country, to be used to alleviate the alarming situation existing in Bengal if shipping space can be procured.

I should greatly appreciate advice regarding the outcome of such representations in the matter as you may see fit to make.

WALLACE MURRAY

845.50/60

*Memorandum by the Chief of the War Commodities Division (Cissel)
to the Adviser on Political Relations (Murray)*

[WASHINGTON,] September 1, 1943.

MR. MURRAY: At a meeting of the Combined Food Board Committee on Rice held on August 30, I raised the question of the possibility of setting aside a contingent allotment of rice to be available for shipment to India. The British representatives expressed some surprise at the thought that there was any particular need for rice. They stated that there was an enormous deficit of cereals generally and that the problem was a matter of shipping not of supply, grains being available in Australia and other areas when shipping can be made available.

The British representatives stated that they understood that the cereal deficit was in the neighborhood of 2,000,000,000 pounds for the current year. It would be clearly impossible under the rice supply situation now existing to make available any amount which would be significant with reference to this deficit. Production of rice in the United States (which is at the present time the largest producer of rice for export) is estimated at 1,750,000,000, and of this amount approximately 50 per cent is required for consumption in this country and by the military services.

British representatives stated that it was their understanding that the need for rice specifically was most urgent in Ceylon and that they had been unable to obtain substantial amounts to satisfy this need because of the overall rice shortage. They agreed that they would query the United Kingdom authorities in London as to any specific need for rice in India.

Under the circumstances it would seem to me futile to attempt any further steps in connection with rice. It may be, however, that some

further action should be taken to attempt to arrange grain shipments to India from Australia. If you would like me to attempt something in this connection please let me know.

T. ROSS CISSEL, JR.

845.5018/47: Telegram

The Secretary of State to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, September 3, 1943—5 p. m.

425. Your 583, August 26, 5 p. m. The Department is informed by the India Supply Mission that no wheat has yet been shipped from Canada or the United States, that the ISM⁷³ is endeavoring to ship 5,000 tons during September, and that difficulties being encountered—including both shortage of ships and shortage of bags—render even this small shipment doubtful.

For your confidential information, it is not thought that American ships will be available to assist unless strong representations regarding the matter are made by the American military authorities in India. If the latter feel that the arrival of some grain from this continent would be helpful in forestalling developments prejudicial to such military effort as may be contemplated from India, a statement to that effect to the War Department by the CBI⁷⁴ Command would undoubtedly be very helpful. If you learn that any such representations are being made, the Department would appreciate being informed.

HULL

845.5018/48a: Telegram

The Secretary of State to the Consul General at Calcutta (Patton)

WASHINGTON, September 4, 1943—9 p. m.

676. There has been received at the Department, by reference from the White House, the following telegram, addressed to the President by Syed Badrudduja, Mayor of Calcutta:

“Acute distress prevails in city of Calcutta and province of Bengal due to shortage of foodstuffs entire population being devitalized and hundreds dying of starvation. Appeal to you and Mr. Churchill⁷⁵ in the name of starving humanity to arrange immediate shipment of food grains from America, Australia, and other countries.”

You should in your discretion convey an appropriate message of acknowledgment to the Mayor, informing him that responsible officials of this Government have not been unmindful of the situation

⁷³ India Supply Mission.

⁷⁴ China-Burma-India.

⁷⁵ Winston S. Churchill, British Prime Minister.

described by him, but that, as the Mayor himself will undoubtedly realize, the shipment of grains is a matter dependent upon many factors complicated by the war. As the Mayor is perhaps aware, the British Indian authorities in this country are making efforts which it is hoped will be helpful in alleviating the situation. He may be assured that this Government will facilitate those efforts in every appropriate manner.⁷⁶

HULL.

845.00/9-943

*Mr. William Phillips, Personal Representative of President Roosevelt to India, to the President*⁷⁷

[WASHINGTON,] September 9, 1943.

MY DEAR MR. PRESIDENT: Before leaving for London, I feel it my duty and my responsibility to express to you my concern with regard to the Indian situation. In previous letters from New Delhi I have dealt somewhat in detail with the growing resentment against the British among the political parties as a result of the political deadlock which is permitted to continue without hope that negotiations will be permitted among the leaders themselves or between the leaders and the British Indian Government.

While it is true that the political unrest largely affects only the more educated Indians, there is in addition a disturbing and even alarming situation developing among the uneducated masses, particularly in Bengal, on account of the famine. It should be borne in mind that the frontiers of Bengal touch those of Assam where American air forces are being concentrated in great numbers. In fact, Assam is the principal base from which our future efforts against Burma will be directed. Is it not therefore important that the attitude of the people near and around our principal base should continue to be friendly and cooperative? If only from the point of view of strategy, should we not avoid having a hostile population close to our important base and to our lines of communication? And yet, so far as I know, nothing has been done or is being done by the British Indian Government to remedy this situation which, in my estimation, has become serious. In this connection the following telegram recently received from our Mission in New Delhi is illuminating:

[Here follows text, except for last paragraph, of telegram No. 583, August 26, 5 p. m., printed on page 296.]

⁷⁶ A letter based on this instruction was sent by the Consul General to the Mayor of Calcutta on September 13 (845.5018/52).

⁷⁷ Letter dictated by Ambassador Phillips in the office of the Adviser on Political Relations (Murray) on September 9; copy forwarded by Mr. Murray to the Secretary of State on September 10.

Further information is to the effect that many of the rural areas in Bengal are foodless, with the villagers wandering into the cities to die there of starvation. Deaths from starvation on the streets of Calcutta are reported to have become so numerous that prominent European members of the community have addressed open letters to the municipal authorities requesting that more adequate means be found for the removal of the bodies. Similar letters have been addressed to the authorities in an endeavor to prevail upon the latter to provide means of assistance for persons taken to hospitals in a state of collapse from starvation and who because of their numbers are unable to gain admittance. It is reported also that in eastern Bengal—always a site of unrest—one finds much increased evidence of pro-Japanese sympathy among the peasants who are said to be hopeful of a Japanese invasion in the belief that the Japanese would bring with them rice from Burma. Instances of lawlessness throughout India occasioned by a desire to obtain food are said to be becoming of common and increasing occurrence.

I am venturing to bring this matter to your personal attention because I do not want anything in the records to appear to indicate an indifference on my part to a situation in India which might develop in such a way as to affect and even hinder our operations.

May I repeat that it is not alone the continuation of the political deadlock nor is it merely the famine conditions among the masses of Bengal that disturbs me, for, it is only too true, that in the past India has suffered from famines of similar severity. But it is the combination of the two, the deadlock and the famine, and the fact that there are Indians of high and low degree, many millions of them, who are resentful against their present conditions, hostile to the British because of the failure of the British to help them, and distrustful of Americans because of our close association with the British, that to me renders the situation of consequence to our military effort.

The remedy, if there is one, is for the British to open the door to negotiations and to do everything possible to lessen the famine conditions in the province of Bengal.

Faithfully yours,

WILLIAM PHILLIPS

845.5018/49 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, September 25, 1943—3 p. m.

[Received 11:59 p. m.]

679. Reuters despatches published Indian press are giving widespread impression that US Government has received no information from its representatives in India on Bengal famine and is indifferent. Consul General's acknowledgment of Mayor Calcutta's telegram to

President has not diminished criticism mentioned in Steele ⁷⁸ despatch *Chicago News* which extensively quoted in Indian press through Reuters. Piecemeal and uninformed statements attributed to OFFR ⁷⁹ and OLLA ⁸⁰ are having unfortunate effect.

Cannot the Department issue a statement that distressing situation Eastern India has been fully reported by Mission and Consulate General since it began to develop last year; that former large American grain reserves have been depleted by large shipments to Russia, England, North Africa, Sicily to point of serious shortages at home; that pressure on shipping for these movements and for several war fronts is enormous; that we hope greater movement of surpluses from Northern India to Bengal will materially relieve distress until new crop December, and that meanwhile no opportunity to collaborate with British relief efforts will be overlooked and food for our forces in India will be supplied as fully as possible from United States.

For Department's confidential information Mission has impression our military here indifferent to Bengal situation and implications and regard them as exclusively British concern. Mission is apprehensive that growing Indian criticism of Washington ignorance and indifference may soon affect our prestige and economic as well as military operations more than the Army realizes. If any statement is made please telegraph Mission full text for India release to offset possible distortion by Reuters. It would also be helpful to stop statements in Washington by officials not concerned with India.

MERRELL

845.5018/56 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, October 8, 1943—10 a. m.

[Received October 9—6:30 a. m.]

727. Following is paraphrase of a note from External Affairs ⁸¹ dated October 4.

Recent expression by Consulate General to Bengal authorities of willingness to assist purchase and shipment wheat from America to Bengal deeply appreciated.

Government of India has made every effort to meet Bengal crisis but despite sympathy and utmost effort, His Majesty's Government has arranged for import of only 200,000 tons cereals owing immense difficulty obtaining ships. While any additional import very desirable, it is appreciated independent search for wheat and shipping

⁷⁸ Archibald T. Steele, newspaper correspondent.

⁷⁹ Office of Foreign Relief and Rehabilitation Operations.

⁸⁰ Office of Lend-Lease Administration.

⁸¹ The External Affairs Department of the British Government of India.

from North America might prejudice shipping programs and that India's needs must be considered together with civil requirements of United Nations generally. If American authorities feel able to help, first step essential would appear to be discussion between them and representatives in Washington of British Ministry War Transport and Ministry Food.

Will you be good enough to approach your Government with view to initiating such discussion and say much appreciation would be felt by Government of India of any assistance found possible. (End of paraphrase).

In acknowledgment Mission informed External Affairs substance its communication telegraphed Department. Mission added that while much information available in Washington on India food shortage, it suggests Government of India provide Mission with full statement actual steps taken to obtain wheat imports and shipping space and results together with statement requirements particularly for Bengal. Suggested this desired for transmittal to Washington to preclude loss time through inquiries from there. (End acknowledgment).

Mission not informed of any assurance by Consul General except that to Mayor Calcutta as instructed by Department.

This request fully discussed with Blyth. For Department's information but without prejudice to fullest consideration relief measures, Mission understands 35 new British vessels built United States and Canada will arrive India between now and end of year, also several other British vessels en route or on berth for India from America. All these vessels will continue on India run. Many of these are transferred to British registry on transfer program of about 15 months. Inasmuch as Australian Government has announced availability of wheat for relief India, most practicable course may be to send some of these ships for Australian wheat after discharging cargoes India.

Mission requests fullest information any decisions reached. It believes our military authorities in India do not contemplate proposing such assistance but will leave initiative to Government of India and British.

While Mission believes Bengal famine was in large measure avoidable and that situation could be improved now by more realistic administrative measures by Government of India, the Washington discussions may reasonably assume that the only alternative to large grain imports soon is situation predicted in Mission's background despatch September 3.⁸² Tendencies since then support that view.

Fischer⁸³ agrees that aside from any effect on military situation, disturbances or economic dislocation in Eastern India might seri-

⁸² No. 195, not printed.

⁸³ John Fischer, senior representative of the Board of Economic Warfare in India.

ously interfere American procurement and shipping of burlap, jute, mica, and commodities such as bristles, tin, and tungsten from China.

MERRELL

845.5018/63a : Telegram

The Secretary of State to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, October 9, 1943—8 p. m.

538. Reference is made to the Mission's recent telegram⁸⁴ regarding the Indian famine and the impression conveyed by Reuters press items. The Department has considered it inexpedient to issue a formal statement on this subject. It is desired, however, that within the Mission's discretion the Mission and the India Office of OWI⁸⁵ publicize by such means as may be possible the following facts:

1) The impression conveyed by items in the Indian press that the United States Government is indifferent to the famine conditions prevailing in Bengal and that its representatives in India have failed to supply accurate information on the subject is entirely erroneous. Numerous and complete reports have been received from both the Mission at New Delhi and the Consulate General at Calcutta regarding the food situation as it has developed over the past year, the tenor of which has long occasioned this Government grave concern.

2) It should be apparent, however, that there is little that can be done in the United States toward furnishing supplies which could not be done better from other sources. There is no rice source in the Western Hemisphere that is of any significance whatsoever in relation to India's requirements, nor admittedly is there any large source open at the moment in the Eastern Hemisphere. Consequently, relief from the famine situation must come from equitable distribution of such foodstuffs as may now be within India or from the importation of wheat. There are larger supplies of wheat in Australia than there are boats to move this grain. Not only is the United States much further from India than is Australia, but at the present time both the West and East coasts of the United States are deficient in wheat. It would appear, therefore, that the most practical way in which the food situation in India could be alleviated, other than through such measures as might be necessary to effect a release of quantities of wheat understood to be withheld in India from public distribution by private speculators, would be the assignment of more shipping to move wheat, first from Australia, and secondly, as perhaps is now being done, from stocks in the United Kingdom. In view of the current distribution of world wheat supplies, there would be no advantage at all in attempting to move wheat supplies from North America to India. In any event, shipping between the United States and India is now subject to British control and it naturally rests with the British to determine to what extent available vessels might be utilized to carry foodstuffs from this country to India.

3) Despite these considerations, the Department of State has continually indicated its desire to assist in every appropriate way in

⁸⁴ No. 679, September 25, 3 p. m., p. 301.

⁸⁵ Office of War Information.

alleviating the Indian food crisis. Efforts were made to secure from the all too inadequate rice stocks in this hemisphere an allocation of rice for India and the possibility of utilizing American shipping space was explored in the event that the shipment of any grain from this country to India was found to be practical or possible. Appropriate officials of the Government have invited suggestions from the British Indian authorities in the United States with regard to means by which this Government could be of help and had any means been perceived as practicable, suggestions would presumably have been made by the latter.

4) The United States Government has been prepared and remains prepared, both on humanitarian grounds and on the basis of its interest in India as one of the United Nations, to render any assistance in the matter which the exigencies of the war render possible.

This matter has been discussed with OWI and it is understood that that organization is advising Block⁸⁸ of its concurrence.

Should dissemination of the above-mentioned facts be displeasing to the Government of India authorities, it may be made known to them that it is felt that the relations of the Government of India with Reuters are believed to be sufficiently friendly to have enabled the Government of India to prevent that news agency from publicizing items which have reflected unfavorably and unjustifiably on this Government's position with regard to the famine.

HULL.

845.5018/49 : Telegram

The Secretary of State to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, October 9, 1943—9 p. m.

539. There are transmitted herewith for the strictly confidential information of the Mission certain additional facts which may be of interest to the Mission regarding the inability of this Government to be of material assistance in connection with the prevailing Indian famine (Reference Department's 538 of October 9) :

In the programming of food supplies by the Combined Food Board in Washington, the responsibility in reference to Indian food requirements has, at the insistence of representatives of the United Kingdom, been left to that government. The British member of the Combined Food Board and British representatives on the commodity committees of the Board have depended on London for information on Indian requirements. Generally speaking, they have not appeared to be concerned regarding statements as to Indian needs presented through other channels. For example, the Combined Food Board Committee on Rice received urgent advice, through State Department channels, of a serious shortage in some districts of India. The British member

⁸⁸ Ralph Block, senior representative of the Office of War Information in India.

of the committee asked to have this advice checked in London, and later reported that there appeared to be a speculative movement of rice into stocks and that the Government of India was coping with the situation. Again, a representative of the Government of India in the United States on several occasions asked to appear before the Committee on Fats and Oils, but the British member of the committee objected to the committee receiving information on the Indian situation through that channel.

HULL

845.5018/59 : Telegram

The Officer in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, October 11, 1943—7 p. m.

[Received October 11—3:46 p. m.]

743. Reference Department's 538, October 9, 8 p. m. Release of statement deferred pending Department's reply to Mission's 727 October 8 unless Department instructs otherwise. External Affairs informs Mission their request made at instance His Majesty's Government after Food Department had requested His Majesty's Government to approach Government United States.

MERRELL

845.5018/59 : Telegram

The Secretary of State to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, October 13, 1943—7 p. m.

553. While the Mission may follow in so far as it considers desirable the phraseology of the Department's 538 of October 11 [9] in publicizing the facts mentioned therein (reference Mission's 743 of October 11), the Department intended the material in question as background upon which statements or press items could be built.

It has appeared to the Department that the result, perhaps unintended, of some of the British publicity in India is to shift the blame for the famine, in so far as the public mind is concerned, to alleged indifference on the part of this Government. The material supplied the Mission has been intended for use in correcting any impression that measures designed to prevent or relieve the famine properly rested with this Government or were practical for execution by this Government. The Mission will of course use its discretion in the methods to be adopted.

HULL

845.5018/49 : Telegram

The Secretary of State to the Officer in Charge at New Delhi (Merrell)

WASHINGTON, October 13, 1943—8 p. m.

554. The Department understood from the Mission's 679, September 25, that reply to Mayor of Calcutta by Consulate General was being widely criticized in India because of its negative tone and that the impression conveyed by Reuters press items was encouraging this criticism. (Reference Mission's 727, October 8). It is felt that an inconsistency exists when that reply has been used as a basis for public criticism of the United States attitude as negative and indifferent, and when the Government of India privately describes it as a basis for deep appreciation. While it is realized that the Government of India will disavow responsibility for Reuters items, it is thought that in view of the friendly relations existing between Reuters and the Government of India this inconsistency might be discussed informally with the latter.

This Government is much concerned at the food shortage and is prepared to render any assistance which may be practicable or which exigencies of the war make possible. The Department's 538 of October 9 indicates, however, why the shipment of foodstuffs from this country to India is not, generally speaking, practicable. Furthermore, as also pointed out in that telegram, shipping between United States and India is now under British control and it therefore rests with the British to determine to what extent available space may be utilized for the transportation of any foodstuffs which might be sent from this country. You may also make known to the Government of India the position of the British representatives of the committees operating under the Combined Food Board (Department's 539 of October 9) with regard to action by that Board.

In view of these considerations and in view of the fact that the utilization of ships on the Australia-India run and the utilization of new British ships as suggested in the Mission's telegram under acknowledgment would appear also to rest within the discretion of the British authorities, the Department is unable to perceive any basis for the Government of India's belief that conversations between representatives of this Government and representatives in Washington of the British Ministries of War Transport and Food might usefully be initiated by United States officials. If, however, the British authorities feel that this Government can be helpful in any manner, the Department will welcome suggestions from them. The Department will of course also welcome any specific suggestions with regard to possible assistance by this Government which the Government of India authorities in New Delhi or in Washington may be able to make.

The Government of India may be informed in the premises.

HULL

AGREEMENT BETWEEN THE UNITED STATES AND THE UNITED KINGDOM FOR INDIA REGARDING JURISDICTION OVER MARITIME PRIZES BROUGHT INTO INDIAN PORTS

[For text of agreement effected by exchange of notes signed at London June 10 and September 24, 1943, and for President Roosevelt's proclamation of November 28, 1943, regarding this agreement, see Department of State Executive Agreement Series No. 489, or 59 Stat. (pt. 2) 1709.]

REPRESENTATIONS BY THE INDIAN AGENT GENERAL CONCERNING ENACTMENT BY THE STATE OF CALIFORNIA OF AMENDMENTS TO ITS ALIEN LAND LAW

811.5245/52

Memorandum of Conversation, by the Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] April 10, 1943.

Mr. Creagh Coen⁸⁷ said that several Indian nationals residing in California had brought to the attention of the Agency General legislation which had passed the Lower House of the California Legislature and was now before a committee of the Upper House. Mr. Creagh Coen recalled that some years ago the California Legislature enacted legislation prohibiting aliens ineligible to citizenship from holding and working land in California. Apparently some Indian nationals had been able to evade the intent of this legislation by having property registered in the names of their wives, most of them women of Mexican origin who were eligible to citizenship. The act now before the California Legislature would prohibit aliens ineligible for citizenship from benefiting or profiting from land held in the names of spouses who are eligible for citizenship. I asked Mr. Creagh Coen if he could furnish us with copies of the original act and the legislation now proposed. He said that he was seeking such copies and would send them to us next week.

Meanwhile, he said, he had checked with the Chinese Embassy, which had had no similar complaints from its nationals in California. However, the Chinese Embassy had informed Mr. Creagh Coen that within the past few weeks, when the State of Arkansas proposed to enact legislation discriminatory to aliens ineligible to citizenship, the Department had successfully intervened in preventing the enactment of such legislation.

I told Mr. Creagh Coen that as soon as we receive the copies of the papers which he was to send we should be glad to look into the matter to see what if anything could be done.

⁸⁷ Of the Indian Agency General.

811.5245/57

Memorandum of Conversation, by the Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] April 14, 1943.

While calling on another matter today, the Indian Agent General⁸⁸ referred to the question of legislation now before the California State Legislature involving what Indian nationals there consider discriminatory treatment. This matter had been taken up with me a few days ago by Mr. Creagh Coen of the Indian Agency General.

I told the Agent General that I did not know what could be done—that the subject obviously was a very delicate one. I added that it might be possible for us to take the question up informally, which I thought would be a better approach than any formal communication to the California authorities. The Agent General said he thought it was much better to handle the question informally and, in that connection, he said that if we thought it would be helpful he was perfectly prepared to go to California himself and discuss the question with the Governor. He said he would do this in a most informal and off-the-record way. He believed that he could convince the California authorities by such discussions that the proposed legislation was most undesirable.

I told the Agent General that I should be glad to pass this suggestion along to see what other Officers in the Department thought of it.

811.5245/41

The Indian Agent General (Bajpai) to the Assistant Secretary of State (Berle)

F.104/43

WASHINGTON, April 24, 1943.

DEAR MR. BERLE: As arranged yesterday in the course of our conversation,⁸⁹ I am sending you an *aide-mémoire*⁹⁰ on the subject of the Bill introduced in the Senate of California, of which certain provisions are likely to affect Indians in that State adversely. I understand that the Bill has already passed the Senate and is now under consideration by the Judiciary Committee of the Lower House. The matter is, therefore, of some urgency and I should be grateful if it could receive your early and sympathetic attention.

Yours sincerely,

G. S. BAJPAI

⁸⁸ Sir Girja Shankar Bajpai.

⁸⁹ No record of conversation found in Department files.

⁹⁰ Enclosure printed below.

[Enclosure]

The Indian Agency General to the Department of State

F. 104/43

MEMORANDUM

According to Sections 1 and 2 of the Alien Land Law of the State of California, adopted in November 1920⁹¹ (see appendix I), aliens not eligible for citizenship may not acquire, possess, enjoy and transfer real property or any interest therein in the State. The Senate of California has recently adopted an amending Bill, Section 11a whereof reads as follows:

“Whenever leases, cropping agreements, or any other agreements to acquire, possess, enjoy, use, cultivate, occupy and transfer real property for farming or agricultural purposes or to transfer in whole or in part the beneficial use of said lands are made in the name of the wife or child of any alien mentioned in Section 2 of this act, or made in the name of any other person, and when any such alien mentioned in Section 2 of this act is then or thereafter allowed to remain or go upon the land, farm and cultivate same and enjoy directly or indirectly the beneficial use of such said agricultural lands or obtains or has a beneficial interest in or use of the proceeds received from the sale of the agricultural crops produced on said lands, then any person signing or entering into any such agreement with knowledge that any such alien shall be allowed or permitted to farm and cultivate such land and enjoy directly or indirectly the beneficial use of such agricultural lands or have a beneficial interest in or use of the proceeds received from the sale of the agricultural crops produced on said lands or any person who allows or permits any such alien to farm and cultivate such lands and enjoy directly or indirectly the beneficial use of such agricultural lands or obtain or have a beneficial interest in or use of the proceeds received from the sale of agricultural crops produced on said lands shall be guilty of violation of the terms and provisions of this act, and upon conviction thereof shall be punished in the manner provided in Sections 10 and 10a hereof, and the Attorney General or the district attorney of the proper county shall have the power to institute injunction proceedings in the name of the people of the State of California against any and all such persons for the purpose of enjoining and restraining them from carrying on farming operations on any agricultural lands in the State of California, under the terms and provisions of any such said agreements, contracts, or leases, as hereinbefore provided.”

The amending Bill is now before the Judiciary Committee of the Lower House of the State. It has been represented that, as Indians are not eligible for citizenship, the amendment, if allowed to become law, would prevent them from cultivating land held in the name of a wife or child or some other person eligible for citizenship. Precise statistics of the number of persons likely to be affected or the area of land held by Indians by eligible proxy are not available. According

⁹¹ For correspondence regarding the passage of the California Land Law of 1920, see *Foreign Relations*, 1920, vol. III, pp. 1 ff.

to such information as is available, however, the number of British Indian subjects who might be hit by the proposed amendment is between 80 and 100 while the area held by these persons through proxy is stated to be about 11,000 acres held under lease and 4,500 acres held in ownership. Details of the territorial distribution of this area are:

	<i>Leased</i>	<i>Owned</i>
Imperial Valley (Los Angeles Con- sular District)	10,000 Acres	2,000 Acres
Fresno (Central California)	500 Acres	1,200-1,300 Acres
Stockton (Northern California)	400 Acres
Marysville (Northern California)	300-400 Acres	800 Acres

2. It is presumed that the amendment is primarily aimed against Japanese nationals. Indians, however, like the Chinese, who would also appear to be affected, stand in a different category from the Japanese. They are nationals of a country which is at war with Japan and allied, in a strenuous endeavour, with the forces of the United States of America in the endeavour to defeat Japan. It is submitted that this consideration is sufficiently important by itself to justify a request for the exclusion of Indian nationals from the scope of the proposed law. Were economic reasons needed to support this request, it would be legitimate to point out that the number of Indians involved is both small and likely to diminish. Their ownership or occupation of land, as at present, and its continued cultivation could not, therefore, be in any way in conflict with the interests of the rest of the community.

3. Opinion in India is especially sensitive on the subject of the rights and privileges of Indian nationals resident overseas. The enactment of a law of the kind in question would come as a severe shock to all sections of the Indian public. It is earnestly hoped, therefore, that action to avert the inclusion of Indians in California in the scope of this law will be found feasible.

G. S. BAJPAI

[WASHINGTON,] April 24, 1943.

[Subenclosure]

APPENDIX I

Alien Land Law.

The people of the State of California do enact as follows:

Section 1. All aliens eligible to citizenship under the laws of the United States may acquire, possess, enjoy, transmit and inherit real

property, or any interest therein, in this state, in the same manner and to the same extent as citizens of the United States, except as otherwise provided by the laws of this state.

Section 2. All aliens other than those mentioned in section one of this act may acquire, possess, enjoy and transfer real property, or any interest therein, in this state, in the manner and to the extent and for the purpose prescribed by any treaty now existing between the government of the United States and the nation or country of which such alien is a citizen or subject, and not otherwise.

811.5245/39a: Telegram

The Secretary of State to the Governor of California (Warren)

WASHINGTON, April 28, 1943.

The Indian Agent General, official representative in the United States of the Government of India, has brought to my attention a bill which is understood now to be before the California Legislature which would apparently prevent any alien ineligible for citizenship from cultivating land held in the name of his wife or children. The Indian Agent General has expressed apprehension that the contemplated legislation would cause considerable hardship to British Indians residing in California and would have the doubly unfortunate effect of arousing at this time a feeling in India that the United States is unconcerned with the practical application of the high principles expounded in the Atlantic Charter²² and other official declarations on the subject of equality of opportunity.

The Department of State is reluctant to bring into question any measure under legislative consideration by California or any other State but feels that in this instance and at this time the proposed legislation would, if enacted, have serious repercussions, not alone in India but in other United Nations, on our unity of aims and purposes. Assurance of full and unreserved collaboration by all the United Nations in the prosecution of the war will in large measure depend, as you will readily understand, upon a firm confidence in the integrity of the United States and steady faith in the broad humanitarian principles which have been expounded by this Government. Any deviation therefrom will be seized upon for propaganda purposes by the enemy, who may be expected to magnify out of all proportion to its true significance any act founded on racial discrimination and to capitalize the issue to our grave detriment, particularly in the countries of the Orient.

²² Joint statement by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations, 1941*, vol. I, p. 367.

In the circumstances, may I ask you to use your good offices in cautioning the sponsors of the present measure of the probable serious consequences to our large national interests of the enactment of the proposed legislation and to urge them to weigh carefully these considerations before pressing the matter further. It occurs to me that one possible solution of the question would be to insert in the bill a provision making the legislation inapplicable to nationals of members of the United Nations. Such a provision would make the measure inapplicable to British Indians and Chinese, among others.

I should be most appreciative if you would give me the benefit of your advice in this important matter.⁹³

CORDELL HULL

811.5245/39a : Telegram

The Secretary of State to the Governor of California (Warren)

WASHINGTON, June 4, 1943.

I refer to my telegram of April 28 regarding a bill which was then understood to be before the California Legislature regarding the cultivation of land by aliens ineligible to citizenship and about the possible effect of which on British Indians residing in California the Agent General for India had expressed apprehension. You kindly telegraphed me on the same date that the subject would receive your careful attention.

As issues of national concern are involved I should greatly appreciate such information regarding developments in connection with the proposed legislation as you may be able to send me at this time.

CORDELL HULL

811.5245/53 : Telegram

The Governor of California (Warren) to the Secretary of State

SACRAMENTO, June 5, 1943.

[Received June 6—11:25 a. m.]

Reference your telegram of June 4, regarding amendments to California Alien Land Law. As originally introduced, this bill may have been susceptible to the inferences of those who object to its approval, but as amended it does not in any way change the definition of an alien whose ownership of California land is prohibited by the existing California statute, nor does it place any greater restrictions on aliens than are contained in the present law. All the bill attempts to do is to improve the enforcement procedure in order to eliminate abuses

⁹³ In a telegram of April 28, Governor Warren acknowledged receipt of the Secretary's telegram and stated that the "matter to which you refer will receive my careful consideration." (811.5245/39a)

and evasions which were so prevalent among the Japanese residents of California prior to Pearl Harbor. I assure you that everything prohibited by these proposed amendments is now prohibited by the existing statute.

We have had no difficulties either before or after Pearl Harbor with nationals of any of our Allies. On the other hand, the Japanese made use of the loose language of the present statute to acquire control of property surrounding airports, aircraft factories, bombing bases, lighthouses, vital necessary public utility installations, port facilities, and even entrances to military cantonments. It is to prevent any repetition of such conditions, particularly if Japanese are to be permitted to return to California during period of war, that military and law enforcement officers and defense officials urge approval of this pending legislation, as essential to the safety of our State, which has been designated as a combat zone.

My letter follows.⁹⁴

EARL WARREN

811.5245/43

The Governor of California (Warren) to the Secretary of State

SACRAMENTO, June 4, 1943.

[Received June 9.]

DEAR MR. SECRETARY: I am enclosing a confirming copy of the telegram I have today sent you⁹⁵ in reply to your wire of June 4, 1943, regarding the bill which was passed at the recently adjourned session of the California Legislature amending the Alien Land Law of this State.

The bill is Senate Bill No. 140. Since receiving your telegram of April 28, 1943, regarding the same subject matter, I have given the legislation my personal attention and consideration. The bill passed the Senate of the California Legislature on March 23, 1943; on April 19, 1943 it passed the Assembly; and on April 23, 1943 it was delivered to me for my consideration. The bill makes several amendments to the Alien Land Law of California which—as you know—has been on the statute books of this State since 1920. As I stated in my telegram of even date, the measure does not enlarge the class of ineligible aliens subject to the provisions of the existing law; it merely attempts to improve the enforcement procedure, in order to eliminate abuses and evasions which were widespread among Japanese residents of California prior to the outbreak of war with that nation.

Immediately after Pearl Harbor a survey was made of the ownership of real property in this State by Japanese, and we were shocked

⁹⁴ *Infra.*

⁹⁵ Dated June 5, *supra.*

to find that, through evasions of the Alien Land Laws, the Japanese in many communities had placed themselves in positions where they could have destroyed essential public utilities, war industries, and—in many instances—military installations and means of communication. It is my belief that it was these findings more than any other factor which impelled the military authorities to evacuate all Japanese from California.

These ownerships of land by Japanese nationals were acquired, not in open and flagrant defiance of the Alien Land Law, but through connivance and subterfuges made possible by the weaknesses of the language in the existing statute. As stated in my telegram of this date, it is to remedy these conditions and to prevent their recurrence—particularly in view of the possibility of a return of the Japanese to California during the period of the war—that the amendments proposed by this bill are necessary at the present time. I desire to assure you that there has been no thought or intention on the part of the sponsors of the legislation that it should have the effect of casting any additional burden upon the nationals of any of the United Nations, or that it should be used to cast any such burden upon them.

For your information, copies of the existing law and of the bill passed by the Legislature are enclosed.⁹⁶

Should you desire any further information on the subject, I shall be glad to furnish it to you.

Very truly yours,

EARL WARREN

811.5245/43 : Telegram

The Secretary of State to the Governor of California (Warren)

WASHINGTON, June 19, 1943.

I desire to thank you for your letter of June 4 and your telegram of June 5, 1943, in which you set forth the purport and intention of Senate Bill No. 140. While I fully appreciate the circumstances occasioning passage of this Bill by the California Legislature, I should like again to emphasize that there is reason to believe that as British Indians and Chinese will be adversely affected, repercussions inimical to the interests of the United Nations may be expected through the exploitation of what will in the Orient be deemed racial discrimination contrary to the professed ideals of this Government. I should therefore greatly appreciate further consideration on your part of the possibility and desirability of having included in the Bill a phrase exempting from its provisions the nationals of members of the United Nations. As nationals of our Allies would be relieved thereby of any additional hardship there would be greatly diminished such op-

⁹⁶ Not reprinted.

portunity as would otherwise exist for unfavorable propaganda on the part of those unfriendly to or suspicious of the aims of the United Nations.

CORDELL HULL

811.5245/43 : Telegram

The Secretary of State to the Governor of California (Warren)

WASHINGTON, July 7, 1943.

I refer to my telegram of June 19 regarding certain aspects of Senate Bill No. 140. The Department of State has now received a communication on the subject from an East Indian association in California.⁹⁷ In order that this communication may be answered appropriately, and that a reply may be made to the Agent General for India in connection with the representations originally made by him on the subject, I should greatly appreciate such further advice from you as may be pertinent at this time. If there have been no further developments, may the substance of your earlier communications on the subject be transmitted to the interested parties?

CORDELL HULL

811.5245/46

The Governor of California (Warren) to the Secretary of State

SACRAMENTO, July 8, 1943.

[Received July 15.]

MY DEAR MR. SECRETARY: Your wire of June 19, in response to my letter of June 4 concerning Senate Bill 140, was received after my departure for the East to attend the Governors' Conference. I have just returned and this is my first opportunity to answer your wire personally.

I appreciate the importance of legislative action by the several states being consistent with the interests of our Allies of the United Nations, and we in California would not intentionally take any action, which fairly construed, might be considered to adversely affect those interests. Certainly there was no such intention on the part of our Legislature in the enactment of Senate Bill 140. On the contrary, it was designed to strengthen the procedural sections of the Alien Land Law in order to prevent abuses and evasions, which were so prevalent among Japanese residents of California prior to Pearl Harbor. The substantive rights of the Chinese and British Indians are not affected by the amendment, as everything prohibited by the new statute was prohibited under the law prior to amendment.

The statute still provides, as it did before, that,

⁹⁷ Not found in Department files.

“All aliens other than those mentioned in section one of this act may acquire, possess, enjoy, use, cultivate, occupy and transfer real property, or any interest therein, in this State, and have in whole or in part the beneficial use thereof, in the manner and to the extent, and for the purposes prescribed by any treaty now existing between the government of the United States and the nation or country of which such alien is a citizen or subject, and not otherwise.”

The land that the nationals of the countries in question are entitled to hold, therefore, depends in the last analysis upon the treaty between this country and the country of which the aliens are nationals.

Before receiving your wire, I had signed Senate Bill 140 and it is now Chapter 1059 of the Statutes of 1943.

Assuring you of our desire to cooperate with the State Department in every possible way, and with best wishes, I am

Sincerely,

EARL WARREN

811.5245/46

The Secretary of State to the Governor of California (Warren)

WASHINGTON, August 9, 1943.

MY DEAR GOVERNOR WARREN: I have received your letter of July 8, 1943, in which you inform me that your signature has been affixed to Senate Bill No. 140, and in which you discuss certain aspects of the bill.

I am grateful to you for the explanation of the basis and purpose of this bill, as set forth in your several communications on the subject. The Department will convey to those persons who have communicated on the matter with it, the substance of your remarks. Your portrayal of the subject will, I am confident, be most helpful in alleviating such bitterness and resentment as may exist regarding the bill's passage.

With my appreciation of your expression of good wishes, I am
Sincerely yours,

CORDELL HULL

811.5245/46

The Secretary of State to the Indian Agent General (Bajpai)

The Secretary of State presents his compliments to the Honorable the Agent General for India and refers to representations made by the Agent General in regard to a bill, known as Senate Bill No. 140, passed by the Legislature of the State of California. It has been the Agent General's opinion that the interests of British Indians resident in California would be adversely affected by the bill in question.

As a result of the representations on the subject made by the Agent General, correspondence has ensued between this Department

and the Governor of California, in which the objections as perceived by the Agent General were brought to the Governor's attention. The Governor has, however, now informed the Department that he has affixed his signature to the bill which has become Chapter 1059 of the California Statutes of 1943.

In discussing the bill in question, the Governor assured the Department that it had been designed only to strengthen the procedural sections of the Alien Land Law of California in order to prevent further evasions of a sort which, according to the Governor, were extremely prevalent among Japanese residents of California prior to Pearl Harbor. It is the Governor's contention that the substantive rights of British Indians in California are not affected by the bill, as everything prohibited by the new statute was prohibited under the law prior to amendment. The Governor has added that the bill was passed because of a feeling that the security of the State demanded it, and with every desire to refrain from any action which fairly construed might be considered as adversely affecting the interests of nationals of our Allies.

It is realized, with regret, that the information as transmitted herewith may not be entirely satisfactory to the Agent General as presumably his interest has centered more in the possible effect of the measure upon British Indians than in its intent and purpose. The Department is confident, however, that the Agent General will recognize that, as the measure has now become law and as there is no contravention of provision of treaty, there is no further action in the matter which the Department of State can take.

WASHINGTON, August 9, 1943.

IRAN

CONCERN OF THE UNITED STATES REGARDING THE POLITICAL SITUATION IN IRAN;¹ TRIPARTITE DECLARATION REGARDING IRAN OF DECEMBER 1, 1943

891.00/2095½

*Memorandum of Conversation, by the Under Secretary of State
(Welles)*

[WASHINGTON,] January 7, 1943.

Mr. Richard Casey, former Minister of Australia in Washington and at present British Minister of State in the Middle East, called to see me today.

I spoke to Mr. Casey of my very great concern with regard to the policy being pursued by the British Government in Iran. I said I felt that, in the first place, from the standpoint of the achievement of satisfactory results, the British policy of the withholding of food supplies and the constant recurrence to military force was not conducive towards the creation of a situation of relative tranquillity in Iran which alone could give us the assurance that this vital means of access to southern Russia would remain open to the United Nations. Furthermore, I said, the attitude taken by so many of the British officials in Iran towards United States officials, and particularly towards the American Minister in Tehran,² was anything but helpful. I said I did not have to tell Mr. Casey that the United States had no selfish interest of any kind or description in Iran, but that this Government did feel that during the war period it was just as vitally concerned in the maintenance of satisfactory conditions in that country as Great Britain. I said I consequently felt that close and friendly cooperation between the officials of the two Governments in that area was indispensable for the sake of our common military objectives, and that I also felt that our views with regard to the policy to be pursued towards the Government and officials of Iran should be taken into consideration by the British Government before it embarked upon any undertakings of any serious character in that region. Mr. Casey told me that he had arranged to see Mr. Murray³ this afternoon, and I told

¹ For previous correspondence relating to this subject, see *Foreign Relations*, 1942, vol. iv, pp. 120 ff.

² Louis G. Dreyfus, Jr.

³ Wallace Murray, Adviser on Political Relations.

him that Mr. Murray would undoubtedly give him chapter and verse for the statements and suggestions I had just made to him.

S[UMNER] W[ELLES]

891.00/1979: Telegram

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

LONDON, January 7, 1943—11 p. m.

[Received January 8—6:29 a. m.]

282. Foreign Office's comments on questions affecting Iran, mentioned in Embassy's 7114, December 15, 8 p. m.⁴ have just been received in memorandum form with a covering letter dated January 6 signed by Mr. Eden.⁵ Mr. Eden's letter reads as follows:

"I hope that this memorandum will clear up any minor misunderstandings which may have arisen between our two Governments on Persian problems. I believe that on the main issues we are both in substantial agreement.

There is one further point, not dealt with in the memorandum, which I should like to bring to your personal notice. It is implied in the State Department's comments that, although our two Governments see more or less eye to eye, nevertheless Sir Reader Bullard⁶ is carrying out a policy of his own, which is not in accordance with our views, but creates unnecessary difficulties with the Persians. I hope that the State Department will dismiss this possibility completely from their minds. I am convinced that Bullard is loyally carrying out the policy of His Majesty's Government to the best of his ability, and I have the fullest confidence in him. It is true that he has sometimes had to take action of a nature displeasing to the Persians, who thereupon are apt to run around to Mr. Dreyfus to complain. But on these occasions he has acted with the full approval of His Majesty's Government and as I believe in the interests of the United Nations. If, as I hope, the United States representative in Persia is able to cooperate more actively in future in maintaining the interests of the United Nations, I think we shall encounter far less difficulty than hitherto in our dealings with the Persian authorities."

The memorandum which is dated January 4 reads as follows:

"The United States Embassy's memorandum of the 14th December,⁷ communicating the observations of the State Department on recent developments in Persia, has been considered in the Foreign Office with the greatest care and sympathy. It is believed that the policy of His Majesty's Government towards Persia corresponds very closely with

⁴ *Foreign Relations*, 1942, vol. iv, p. 220.

⁵ Anthony Eden, British Secretary of State for Foreign Affairs.

⁶ British Minister in Iran.

⁷ See telegram No. 6280, December 11, 9 p. m., 1942, to the Ambassador in the United Kingdom, *Foreign Relations*, 1942, vol. iv, p. 214.

that of the United States Government. At the same time it is felt that a full and frank exchange of views on this subject will be of great value, lest misunderstanding should arise on points such as those enumerated in the latter part of the memorandum under reply.

2. In the first place, the Foreign Office wish to confirm their entire agreement with the views expressed in the Embassy's memorandum as regards the increasing importance of the United States Government's interests in Persia. Indeed, the growing interest which the United States Government have shown in Persian affairs has been very welcome to His Majesty's Government, who, as the State Department point out, took the lead in suggesting that United States advisers should be sent to Persia to strengthen the internal administration of the country. His Majesty's Government therefore fully understand and share the anxiety of the United States Government that these advisers should be enabled to carry out their work under favorable conditions, and are confident that their work will prove of the greatest value in reorganizing the finances of Persia and in putting the administration on a sound and efficient basis. His Majesty's Government also recognize that the arrangement whereby the military authorities of the United States are to take over the operation of Persian ports, railways and roads greatly increases the interest of the United States Government in the maintenance of law and order throughout the country.

3. His Majesty's Government also confirm that it has for long been their desire that the United States Government and the United States authorities in Persia should cooperate more actively in settling the questions arising from time to time. Until recently the task of maintaining the interests of the United Nations at Tehran has fallen almost exclusively on the British Legation. It is hoped that it may henceforward be possible for the United States representative at Tehran to take an equally active part in helping to solve important problems of common concern to the Allied Governments, and it is believed that the task of the two Legations may be greatly eased by the steadying influence which will be exercised on the Persian authorities through the United States advisers.

4. As the State Department are aware, it has been the policy of His Majesty's Government not to occupy Tehran by military forces, but to allow the Persian Government to continue to administer the country with as little interference as possible. In order to encourage a spirit of collaboration in the Persian authorities, His Majesty's Government took the initiative in the negotiations which culminated last January in the signature of the Anglo-Soviet-Persian treaty of alliance.⁸ By this treaty Persia acquired the status of a non-belligerent. This policy has on the whole been successful hitherto, the degree of collaboration afforded by the Persian authorities has in general proved sufficient, but on three problems of major importance it has been necessary, in the interests of the United Nations war effort, to bring strong pressure to bear upon the Persian Government and to contemplate measures which have, as it appears, led the Persian Government to put forward complaints to the Government of the United States.

⁸ Signed at Tehran, January 29, 1942; for correspondence concerning this treaty, see *Foreign Relations*, 1942, vol. iv, pp. 263 ff.; for text of the treaty, see Department of State *Bulletin*, March 21, 1942, p. 249.

These three problems are:

- (1) The provision of local currency for the United Nations forces in Persia;
- (2) The wheat problem, and
- (3) Security measures against Axis agents in Persia.

6. [*sic*] In the United States Embassy's memorandum under reply, it is stated that considerations of self-interest in no way motivate the policy of the United States, but that this policy is concerned only with the furtherance of the war effort of the United Nations and with the laying of a basis for satisfactory and lasting peace time conditions in Persia, as well as in the rest of the world. His Majesty's Government readily accept this assurance, and they must request the United States Government in return to accept a corresponding assurance on their behalf. In dealing with the three problems mentioned above, and in all their dealings with the Persian authorities, His Majesty's Government have not been moved in any way by consideration of self-interest but have been concerned with the furtherance of the war effort of the United Nations.

7. The difficulties raised by the Persian Government in connection with the supply of rials to the British forces in Persia were, in fact, difficulties which had to be surmounted by some means or other in the interests of the war effort. Without rials it would have been impossible for the Allied forces in Persia to pay for local purchases and local labor. It was absolutely essential that rials should be forthcoming. Otherwise, the trans-Persian lines of communication for supplies of war material to the Soviet Union would have broken down. After difficult negotiations, a solution appeared to have been reached through the conclusion of an Anglo-Persian financial agreement on the 26th May,⁹ and it was therefore all the more deplorable that the Persian authorities, despite the clear terms of this agreement, should again have sought only a few months later to withhold the necessary currency from the Allied forces. The State Department are aware how, mainly as the result of the common front displayed on this occasion by the Allied representatives at Tehran, it proved possible to solve these difficulties without having recourse to forcible measures, and it may be hoped that, with the forthcoming arrival at Tehran of the United States Financial Mission, a further Persian threat to withhold the currency essential to the United Nations need no longer be apprehended.

8. Again, as regards the wheat problem, the policy of His Majesty's Government has been directed solely towards furthering the essential war interests of the United Nations, with due regard also to the minimum requirements of the Persian people. It has been based upon two governing considerations. The first is that, quite apart from the shortage of shipping, the clearance capacity of Persian ports and transport routes is strictly limited, so that every ton of wheat imported into Persia for Persian consumption involves a reduction in the quantity of vital war supplies sent to the Soviet Union by the trans-Persian routes. The second point is that Persia in normal times grows sufficient cereals for her own use, and the 1942 harvest is believed to have fallen very

⁹ For correspondence relating to this agreement, see *Foreign Relations*, 1942, vol. iv, pp. 300 ff.

little short of a normal harvest, so that there must exist in the country sufficient stocks of cereals to last nearly until the harvest of 1943. It will be recalled that, during the period between the military operations in August 1941 and the summer of 1942, some 50,000 tons of wheat were imported from British and United States sources to satisfy in the exceptional circumstances then existing the needs of the Persian civil population. But the Persian Government, almost immediately after the harvest of 1942, complained that there was already a serious shortage and requested that further wheat should be imported for their use. It was evident that they were reluctant to take drastic and unpopular measures against hoarders, speculators and profiteers, and thought it easier to appeal to the Allies to solve their difficulties for them by arranging further imports. This attitude was clearly inadmissible. It would have meant a reduction in the supplies sent across Persia to the Soviet Union, for reasons which could not have been justified to the Soviet Government. His Majesty's Government agree that it is in itself desirable that steps should be taken to save the Persian people from want, but it is clearly necessary to insist upon the Persian authorities making the best use of the food supplies available within Persia, and the only wheat imports to which His Majesty's Government have hitherto agreed during the present season are the 25,000 tons of wheat which are being imported to replace the Persian-grown cereals required by the Soviet occupying forces.

9. Security measures against Axis agents have also been the cause of serious difficulties with the Persian Government. For many years past German influence in Persia has been very extensive, and it was largely owing to the presence of Germans and German agents in key positions throughout the country that it became necessary for British and Soviet forces to undertake the military occupation of certain areas in August 1942 [1941]. At the present moment, there are still some Germans in hiding in the unoccupied districts of Persia, there are still German agents who are active throughout the country, and there is still a considerable amount of pro-German sympathy in influential Persian circles. His Majesty's Government regard it as absolutely essential to take such steps against German agents as may be required to safeguard the Allied troops and communications in Persia. Some Germans and some German agents have already been arrested, others have been allowed to escape by the Persian police or are said to be untraceable. But proof has been obtained of a widespread conspiracy organized by the Germans with the help of a number of influential Persians, involving definite plans for sabotage against Allied communications, and risings against the Allies in the event of a German invasion of Persia. It is clear that drastic action is justifiable and necessary against those implicated in such matters though such action has hitherto been confined to a minimum.

10. The foregoing general observations are intended to cover the main aspects of British and United States policy in Persia, and although emphasis has naturally been laid upon these points which have caused most difficulty and on which differences of outlook are most likely to arise, the Foreign Office believe that on the whole the views of the two Governments are very closely in agreement as regards the major issues. There remain the four questions referred to at the end of the United States Embassy's memorandum under reply.

(1) It is true that the signature of the Anglo-United States-Persian agreement for wheat¹⁰ was delayed because it was desired to ensure, in connection with the wheat agreement, a satisfactory long term settlement of the currency dispute. As stated above, rials are absolutely essential for the United Nations forces in Persia. His Majesty's Government felt therefore that it was essential to insist on some new currency arrangement, whereby the Majlis would no longer create difficulties on every occasion when they were asked to provide the necessary rials. As soon as a satisfactory solution on these lines was reached, there was, so far as His Majesty's Government are aware, no further question of delaying the signature of the wheat agreement in order to impose on the Persian Government more difficult conditions. And, as distinct from the agreement, His Majesty's Government have at all times and irrespective of their disputes with the Persian Government, sought to accelerate the despatch of the wheat which was urgently needed owing, primarily, to the Soviet requisitions in Northern Persia.

(2) General Zahidi, the Governor General of Isfahan, was arrested because he was implicated in the serious conspiracy referred to above. Careful consideration was first given to the question whether the Persian Government should be consulted in advance, but it was decided that to adopt this course would involve the risk of leakage, and would in addition be most embarrassing to the Persian Government themselves. The information at the disposal of His Majesty's Government indicates that the effect locally of General Zahidi's arrest has been very salutary.

(3) The sole reason for the despatch of a battalion of British troops to Tehran during the recent rioting was to protect Allied property and military stores.

(4) The Foreign Office were surprised by these reports from the United States Minister at Tehran, which implied that the despatch of certain consignments of foodstuffs to Tehran was being delayed by the British authorities for political reasons. This, as in the case of the wheat shipments, would certainly have been opposed to the views and intentions of His Majesty's Government. They therefore telegraphed to Sir Reader Bullard, who has explained that there is of course no foundation whatever for any suggestion that the despatch of this flour and barley to Persia had been deliberately delayed in order to put pressure on the Persian Government. On the contrary, the British Legation had done everything possible to hasten its despatch. (Such delay as occurred seems in fact to have been due partly to an unexpected fall in the level of the Karun River while the barges conveying the grain were on their way to Ahwaz, but mainly to the physical difficulty of moving it from Shaiba to Margil, thence by water to Ahwaz, and thence by rail to Tehran). Nor did Sir Reader Bullard speak to the Shah¹¹ or the Persian Prime Minister¹² on the lines mentioned, or threaten them in any way with the possibility that supplies already arranged might be withheld. It is hoped

¹⁰ Signed at Tehran December 4, 1942; for correspondence concerning this agreement, see *Foreign Relations*, 1942, vol. iv, pp. 155 ff.; for text, see Department of State Executive Agreement Series No. 292, or 56 Stat. (pt. 2) 1835.

¹¹ Mohammad Reza Shah Pahlavi.

¹² Ahmad Qavam.

that it may be made clear to the United States Minister at Tehran that he has been misinformed on these points.”

MATTHEWS

891.00/2004

*Memorandum of Conversation, by Mr. John D. Jernegan of the
Division of Near Eastern Affairs*¹³

[WASHINGTON,] January 8, 1943.

Participants: Mr. Richard Casey, British Minister of State in the
Middle East

Mr. Murray

Mr. Alling¹⁴

Mr. Jernegan

Mr. Murray opened the conversation by reverting to the previous long telegram of December 11 to London¹⁵ setting forth our general attitude toward Iranian affairs, vis-à-vis the British Government, and our surprise and regret at the apparent lack of coordination between the policies of the Foreign Office at London and the actions of the British authorities in Iran.

Mr. Casey expressed his entire agreement with the first part of that telegram, in which the Department explained the reasons for its special interest in Iran in connection with the furtherance of the common cause of the United Nations and its understanding that the British Government welcomed this interest and was in substantial accord with the American Government with respect to the policy to be followed. He appeared to feel that we might have been misinformed, or have misinterpreted British actions, with respect to the various incidents cited in the final portion of the cable. Specifically, he said that the delay in conclusion of the Anglo-American-Iranian Food Agreement of December 4 was not due to any desire on the part of the British to cause such a delay. It was, rather, because of the necessity for carrying on three-cornered telegraphic correspondence between Tehran, London and Cairo with regard to phraseology and various details as well as questions of policy which had to be decided. At a later stage in the conversation, Mr. Casey said that he himself had been responsible for one change in the bases of negotiation, which doubtless contributed to the delay, since he had suggested that the food agreement not be concluded unless a satisfactory long-term solution of the currency question were reached at the same time.

¹³ Forwarded on January 14 by the Adviser on Political Relations (Murray) to the Secretary of State.

¹⁴ Paul H. Alling, Chief of the Division of Near Eastern Affairs.

¹⁵ Telegram No. 6280, *Foreign Relations*, 1942, vol. iv, p. 214.

He pointed out that we had been proposing to bind ourselves for a period of some twelve months in connection with wheat supplies, whereas no arrangement had been made which would assure us of a supply of rials for more than a month or two.

Mr. Murray then went on to read excerpts from certain telegrams received by the Department:

1) Tehran's 362, November 7,¹⁶ in which Mr. Dreyfus reported new conditions proposed by the British Minister as essential requirements to signature of the food agreement, the most notable being that the Iranian Government must support the war effort, must seek full powers from the Majlis, and must agree to modify the cabinet in accordance with the wishes of the Allies. Mr. Casey expressed surprise at this and indicated that he had not hitherto been aware of these proposals. He seemed particularly struck by the suggestion that Iran must support the war effort, indicating that he did not think such an undertaking could mean very much. Mr. Murray stated very emphatically that the British Minister's proposals had astonished the Department, which had been unable to comprehend the reasoning behind them and regarded them as most unwise and as indicating an unfortunate point of view on the part of the British Minister at Tehran.

2) Mr. Murray then read a part of London's telegram 6340, November 11,¹⁷ confirming Mr. Dreyfus' report regarding conditions proposed by the British Minister and saying that the Foreign Office had already advised the Minister at Tehran that it did not regard them favorably.

3) With further reference to the attitude of the British Minister, Mr. Murray next read the statement in Tehran's telegram no. 427 of December 9¹⁸ to the effect that the Counselor of the British Legation had told Mr. Dreyfus of the intention of the British Minister to tell the Shah that he could not favor bringing cereals to Iran while the country was so hostile to the Allies. Mr. Murray again remarked that the Iranians could not be expected to become more friendly in the face of such an attitude.

4) Finally, with reference to British policy in arresting Iranians suspected of pro-Axis activities, Mr. Murray read the first two sentences of Tehran's telegram no. 451, of December 19,¹⁹ reporting General Ridley's conversation with the British Minister. He pointed out that Sir Reader Bullard had agreed, after the damage had been done, that the British authorities should refrain from arrests of Iranian army officers but should permit the Iranians themselves to handle such cases. Mr. Murray went on to say that this was the policy the British

¹⁶ *Foreign Relations*, 1942, vol. iv, p. 180.

¹⁷ *Ibid.*, p. 191.

¹⁸ *Ibid.*, p. 209.

¹⁹ Not printed; it reported a conversation between Maj. Gen. Clarence S. Ridley and the British Minister in Iran regarding the arrest on December 8, 1942, by the British of Iranian General Zahidi, Governor General of Isfahan province (891.00/1973); for correspondence on this incident, see *Foreign Relations*, 1942, vol. iv, pp. 206 ff. General Ridley, a United States Army engineer officer of wide experience, had been assigned by the War Department to act as military adviser to the Iranian Government on matters pertaining to the Services of Supply of the Iranian Army; for correspondence on the Ridley Mission, see *ibid.*, pp. 253-263, *passim*.

themselves had always followed in Egypt, and he felt that it was surprising that it had not been adopted in Iran.

Mr. Casey said he would like to explain that all the British authorities in the Middle East had been greatly worried by the Iranian situation. He himself had gone to Tehran and spent three or four days there seeking light on the matter. He had found an impression on the part of the British Legation that the American Minister was not taking an active interest in the problem and was not cooperating in the effort to find a solution. Mr. Casey appeared to feel that there might be some basis for this impression, although he himself was not in a very good position to judge. So far as he could gather, the entire weight of the crisis had fallen upon the British, since the Russians, as usual, were unhelpful and would not even provide information regarding their own activities in northern Iran. Consequently, the British had felt that they must go ahead and do the best they could on their own.

Mr. Murray said that any apparent holding-back on the part of the American Minister might be attributable in part to a feeling that the British were, after all, in occupation of Iran and, therefore, should properly take the initiative. A further consideration might be a belief that general British policy in the area was too much influenced by a "crack down" spirit, a spirit which had long-since gone out of favor in the United States. The Department was strongly of the opinion that the Iranians could be better handled through conciliatory methods than through the application of pressure. Mr. Murray emphasized that Mr. Dreyfus had acted throughout under the instructions of the Department and in entire accord with the policies of the Department.

In this connection, Mr. Murray read an excerpt from Tehran's telegram no. 4 of January 4.²⁰ He omitted any reference to the letter²¹ written by General Wilson to General Andrews,²² but mentioned that Mr. Casey might have heard that Mr. Dreyfus had been accused of being anti-British. He then went on to read Mr. Dreyfus' remarks regarding his personal and official relations with British officials and his general attitude toward the British, Russians and Iranians. He also read the final sentence of the telegram, as a further illustration of what we considered an unfortunate attitude of certain British officials toward the Iranian situation.

²⁰ Not printed; it concerned a report of a complaint made against the American Minister in Iran by Gen. Sir Henry Maitland Wilson, British Commander in Chief, Persia-Iraq Command (891.00/1978).

²¹ Not printed.

²² Lt. Gen. F. M. Andrews, Commanding General, United States Army Forces, Middle East.

Mr. Casey said that he expected to revisit Iran in the near future and at that time would do his best to straighten out any differences of viewpoint which might exist between Mr. Dreyfus and Sir Reader Bullard. Mr. Murray expressed his hearty approval.

Mr. Casey then referred to the generally weak moral fiber of the Iranian people. He said that the Shah had spoken of this to him and had expressed the wish to do something about it. Mr. Casey had suggested that the Shah gather together a group of the better type of younger men and use them as an influence on the rest of the population. In particular, he had mentioned a young man, whose name he had forgotten, the head of the mortgage bank, who had impressed him with his character and understanding of Iranian problems. The Shah had agreed that this man was a fine type, but had expressed doubt as to the possibility of finding others.

Mr. Murray said that he welcomed Mr. Casey's attitude on this question, since it coincided exactly with our own. . . . We had, some months ago, suggested this to the British Foreign Office but the reply had been discouraging. The Foreign Office had taken the position that any attempt by Great Britain or the United States to push forward any individuals would result in the branding of those persons as foreign "tools" and would destroy their usefulness. Mr. Murray pointed out that this Foreign Office view was hardly in accord with the drastic measures which had been proposed by Sir Reader Bullard in connection with the alteration of the Iranian Cabinet at the will of the Allies. He went on to say that he hoped very much that Mr. Casey would join with us in supporting the entrance into public life of young men of the right type, and he emphasized that the important thing for the future was to have good men in office with minds of their own, not someone who would take orders from any foreign power which supported him. Mr. Casey said that he entirely agreed.

Mr. Murray then spoke of certain suggestions which had been made that the Majlis should be dissolved. He said that we had been inclined to consider this proposal, but that we had now come very much to the conviction that it would be unwise, since the Majlis, with all its faults, served as a safety valve and was regarded by the Iranian people as the safeguard of their liberties. Mr. Casey agreed with this view and said that dissolution of the Majlis had been considered only when it seemed that it might be the only way to solve the currency impasse.

Finally, Mr. Murray said that he would like to throw out a thought with regard to the Russian position in Iran. Our reports indicated that the Russians, by following a conciliatory policy and by engaging in elaborate propaganda, had established themselves very strongly in

northern Iran. One of our reports had even gone so far as to say that a Soviet could be set up in Azerbaijan overnight, if the Russians gave the word. This trend seemed very reminiscent of the policy followed by Russia twenty years ago in the early days of the communist regime. At that time, the U.S.S.R. had made a grand gesture of taking Iran under its protection and had given back to Iran all of the Russian rights and concessions, such as the railroad, the bank, et cetera. The purpose of that policy had been, of course, to put Great Britain on the defensive in Iran, weaken her influence there, and it had succeeded. A parallel might well be drawn with the present situation. As a specific instance, the Russians had not followed the British example in moving troops into Tehran last month, and in consequence Russian standing had improved and British had declined. Mr. Murray felt, therefore, that the British Government should keep this in mind. It was worth considering *why* the Russians were taking such pains to establish themselves in northern Iran. In any case, it would be advisable for the British and American Governments to coordinate their policies and stand together in Iran.

891.00/1986 : Telegram

The Chargé in Iran (Schnare) to the Secretary of State

TEHRAN, February 5, 1943—3 p. m.
[Received February 5—1: 26 p. m.]

134. Legation's 387 November 21.²³ The name of Seyid-Zia-Din Tabatabai has again been brought to fore as a result of press interview given by him in Palestine published and widely commented on by Tehran press. Most Iranians are of opinion that the interview was British inspired as forerunner to bringing this politician back to power. Better elements look with apprehension on the move because they consider Tabatabai as unscrupulous and dictatorial. His action as newspaper editor at time of bitter dispute over abortive treaty of 1919²⁴ branded him in eyes of most Iranians as British tool; some observers regarded his attitude at that time, especially his refusal to publish statements of American position, as unfriendly to United States. I am informed that Russians are still opposed to Tabatabai in spite of his flattering references to Soviet Russia in his interview.

SCHNARE

²³ Not printed.

²⁴ Agreement between Great Britain and Persia, signed at Tehran, August 9, 1919, *Foreign Relations*, 1919, vol. II, p. 703; for correspondence relating to this agreement, see *ibid.*, pp. 698 ff.

891.00/1986 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, February 11, 1943—10 p. m.

76. Your 134, February 5. If occasion arises, you may advise your British and Russian colleagues that Department, on basis of its present information, does not regard Seyid Zia-ed-Din Tabatabai as a suitable person to head Iranian Government. Our opinion is based upon both his record and the fact that he has been away from Iran for past 20 years. Accordingly, we would not be disposed to encourage any movement for his return to power.

HULL

711.91/98

Memorandum by the Adviser on Political Relations (Murray) ²⁵

[WASHINGTON,] February 11, 1943.

The attached memorandum is a summary of the thoughts of NE ²⁶ and myself regarding the general bases and direction of our policy toward Iran, which we should like to submit for your consideration. If you approve, we shall guide our actions accordingly and shall send appropriate instructions to our Minister at Tehran. I have also in mind the possible desirability of asking the planning organizations under Mr. Pasvolsky ²⁷ to give special attention to Iranian problems along the lines indicated.

Briefly, the memorandum sets forth the following points:

1) The past and present attitudes of Great Britain and Russia toward Iran, together with the current weakness of the Iranian Government and disorganization of the country's internal structure, justify fears that Iran may prove a danger point when we come to the post-war settlement.

2) The best hope of avoiding trouble in this regard lies in strengthening Iran to a point at which she will be able to stand on her own feet and in assuring both of the interested Great Powers that neither one need fear the acquisition by the other of a predominant position in Iran.

3) The United States is the only nation which may be able to render effective assistance to Iran without rousing the fears and opposition of Great Britain or Russia, or of the Iranians themselves.

²⁵ Addressed to the Assistant Secretary of State (Acheson), the Assistant Secretary of State (Berle), the Under Secretary of State (Welles) and the Secretary of State. Notation by John D. Jernegan of the Division of Near Eastern Affairs: "Approved by the Secretary and Mr. Welles. 2/17/43."

²⁶ Division of Near Eastern Affairs.

²⁷ Leo Pasvolsky, Special Assistant to the Secretary of State; also chairman, Committee on Special Studies.

4) Since we have a vital interest in the fulfillment of the principles of the Atlantic Charter²⁸ and the establishment of foundations for a lasting peace throughout the world, it is to the advantage of the United States to exert itself to see that Iran's integrity and independence are maintained and that she becomes prosperous and stable.

5) Therefore, the United States should adopt a policy of positive action in Iran with a view to facilitating not only the war operations of the United Nations but also a sound post-war development of the country which would eliminate the need or excuse for the establishment of any sort of "protectorate".

WALLACE MURRAY

[Annex]

Memorandum by Mr. John D. Jernegan of the Division of Near Eastern Affairs

[WASHINGTON,] January 23, 1943.

AMERICAN POLICY IN IRAN

This Government has come during the past year or more to play a relatively active part in Iranian affairs. In the past, the United States has had no important political interests in Iran and has been seriously concerned with events in that country only from time to time. Our recent activity, therefore, is rather a new departure and has arisen primarily out of our participation in the war and natural concern that political matters in all theaters of war operations should develop favorably with respect to the United Nations. Iran has been, and is, important in this connection because of its value as a supply route to Russia, its strategic location and its vast production of petroleum products. When occasion has arisen to set forth our policy, we have based it upon the foregoing considerations, and I feel that they constitute ample justification for the attitude we have adopted.

I believe, however, that it is worthwhile at this time to put down on paper certain much broader considerations which, it seems to me, should likewise impel us to follow a positive policy in Iran, not only while the prosecution of the war is still foremost in our minds but also in the period when victory is in our grasp and we come to the conclusion of the peace.

I should like to suggest that Iran constitutes a test case for the good faith of the United Nations and their ability to work out among themselves an adjustment of ambitions, rights and interests which will be fair not only to the Great Powers of our coalition but also to the small nations associated with us or brought into our sphere by circumstances. Certainly, nowhere else in the Middle East is there to be found so clear-

²⁸ Joint Declaration by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations*, 1941, vol. I, p. 367.

cut a conflict of interests between two of the United Nations, so ancient a tradition of rivalry, and so great a temptation for the Great Powers concerned to give precedence to their own selfish interests over the high principles enunciated in the Atlantic Charter.

For considerably more than one hundred years, Russia has been pressing down upon Iran from the north, repeatedly threatening new annexations of territory, repeatedly attempting in one way or another to dominate Iran. Three times in the present century alone Russian troops have entered Iranian territory against the will of the Iranian people.

For the same period of time, Great Britain has opposed the Russian movement southward, fearing for her position in the Persian Gulf and Indian Ocean and especially fearful of the potential threat to India. British troops have been on Iranian soil at least twice since the turn of the century and British influence has been exerted over and over again to counter the Russian expansion.

Although Russian policy has been fundamentally aggressive and British policy fundamentally defensive in character, the result in both cases has been interference with the internal affairs of Iran, amounting at times to a virtually complete negation of Iranian sovereignty and independence. It is superfluous to point out that this has created an ingrained distrust of both powers in the Iranian people and has not been without effect upon the attitude of the other weak peoples of the Middle East.

If this were merely history, it would be of no importance. Unfortunately, there are signs that history may be in the process of repeating itself. The basic factors are unchanged: Russia is still without a warm-water port; Britain still clings to her predominant position in the Middle East and east of Suez. Even if we assume the eventual independence of India and Burma and a British withdrawal from Iraq, Palestine and Egypt, there is every reason to suppose that Britain would not welcome an advance into that area by Russia.

Once again Russian and British troops are in Iran, the former in the north, the latter in the south and center. It is true that their presence is made necessary by imperative considerations of military expediency and that their withdrawal at the conclusion of the war has been solemnly promised, but I need not recall the hundreds of instances in which the forces of a Great Power have entered the territory of a weaker nation for one purpose and have remained, indefinitely, for other purposes.

Largely because of this occupation of Iranian territory, the governmental machinery of Iran, and its economic structure, have been seriously weakened. This has become both a reason and an excuse for direct intervention by the Russian and British authorities in

Iranian political matters. At the present moment, no Iranian Cabinet can survive without the direct support of the Allied powers. While it is obvious that the United Nations could not permit a hostile government to function at Tehran, it is equally obvious that the Iranian political and economic organization must be strengthened to a point at which it will be able to function efficiently by itself, if Iran is to survive as an independent nation. It is unnecessary to point out that a political vacuum is as impossible as a physical vacuum; if Iran falls into a state of anarchy, some power must assume responsibility for its government, and it may be assumed that the first to offer themselves for this task would be one or both of the present occupying powers.

Apart from the general situation in Iran, I believe we should be fully alive to the character of the present Russian occupation of the northern provinces. In Azerbaijan, the Soviet authorities have greatly restricted the operations of the Iranian civil authorities and have virtually immobilized the small Iranian military forces which they reluctantly permitted to return to the area. They have alternately encouraged and discouraged the restive Kurds, always a thorn in the flesh of the local government. More important still, they have been so successful in propagandizing the population that our Consul at Tabriz²⁹ has reported that a soviet could be established overnight in Azerbaijan if the Russians gave the word. In this connection, it is well to remember that Azerbaijan is inhabited largely by a Turkish-speaking population whose cultural ties with Soviet Transcaucasia and Turkish Kurdistan are almost as strong as those with the rest of Iran. It is also the most important grain-producing area of Iran and would be a welcome addition to the food resources of Transcaucasia.

There are other items which might be mentioned: the strained relations between the Russian and British authorities in Iran; the suspicion with which the Russians appear to view every move made by the British or Americans, for example their obvious hesitancy in agreeing to our operation of the southern section of the Trans-Iranian railroad;³⁰ the apparent attempt by the Russian government to weaken British influence by leaving the British to bear the brunt of Iran's economic problems; the continued refusal of the Soviet authorities in Iran to permit transportation of grain from Azerbaijan to meet the urgent needs of Tehran; the impending move by the Russians to take over control of Iranian arms plants.³¹

On the British side, the blunt, uncompromising attitude which has characterized British policy towards Iran does not augur well for a

²⁹ Bertel E. Kuniholm.

³⁰ For correspondence on this subject, see pp. 437 ff.

³¹ For correspondence on the Iranian arms plants, see pp. 628 ff.

future amicable adjustment of Anglo-Iranian relations. Nor is it reassuring to recall the recent British proposal to arrogate to the Allies power to modify the Iranian cabinet at will.

It may be that the situation outlined above represents nothing more than the inevitable result of the stress and strain of coalition warfare and that once the victory is won all parties will be glad to revert to their former positions, leaving Iranian sovereignty as intact as it was before the Anglo-Russian occupation. Both Britain and Russia have repeatedly promised to do so, and both powers, and Iran as well, have adhered to the principles of the Atlantic Charter.

I should like to submit, however, that the United States has a vital interest in seeing to it that the United Nations *do* live up to the Atlantic Charter and, consequently, in making it as easy as possible for them to do so.

What I have in mind is the situation which will arise when the war is won, or nearly won, and the time comes to think of British and Russian withdrawal from Iran, with consequent full rehabilitation of Iranian self-government. Have we not some reason to anticipate that the respective British and Russian forces may remain suspiciously eyeing each other, each proclaiming its entire willingness to withdraw as soon as the other has done so? Is it not possible that one or both powers will allege, perhaps with reason, that Iran is in such a state of confusion that she must be "protected" for a time? And is it probable that either would withdraw and allow the other to carry out this "protection"?

Carrying this thought one step further, if Russia should really harbor ambitions for expansion in Iran, is it not all too likely that she would insist upon Iran's need for Soviet guidance, and that she would violently oppose the interposition of another interested power in the role of tutor? And if Great Britain should give way on this, would not Britain all the more cling to her position in Iraq and other parts of the Middle East, as protection against a future Russian thrust toward Suez, thus checking the progress which we hope to see in the direction of independence for all Near Eastern peoples?

I think we may assume that the Iranian Government has long since thought of all the foregoing considerations and that its ever-stronger appeal for American assistance is largely based upon them. So far, we have rested our response to this appeal primarily upon our interest in winning the war. I wonder if we should not also begin, privately, to base our response upon our interest in winning the peace? The United States, alone, is in a position to build up Iran to the point at which it will stand in need of neither British nor Russian assistance to maintain order in its own house. If we go at this task whole-

heartedly, we can hope to remove any excuse for a post-war occupation, partition, or tutelage of Iran. We can work to make Iran self-reliant and prosperous, open to the trade of all nations and a threat to none. In the meantime, we can so firmly establish disinterested American advisers³² in Iran that no peace conference could even consider a proposal to institute a Russian or British protectorate or to "recognize the predominance" of Russian or British interests. If Iran needs special assistance of a material character, we can provide it and so remove any cause for claims for compensation by other powers. We can forestall loans carrying with them control of the customs or other servitudes upon the Iranian Government. If railroads, ports, highways, public utilities, industries, are to be built, we can build them and turn them over to the Iranian people free of any strings.

I realize that objections can be raised to such a policy. Some which occur to me at the moment are: (a) it is unprecedented in our relations with the Middle East; (b) it impinges on a "sphere of influence" hitherto considered exclusively British and Russian; (c) there is no guarantee that it will succeed; (d) it might involve expenditure and loss of money; (e) if it came into public notice, it might arouse domestic criticism on the part of isolationists.

To answer these seriatim:

(a) The present war and the problems of future peace for the United States are likewise unprecedented. We have now realized, and publicly stated over and over again, that we cannot be indifferent to the welfare of any part of the world, no matter how remote, because sooner or later it will affect our own peace.

(b) The very fact that Iran has been a "sphere of influence" in dispute between two Great Powers, makes it all the more desirable that a third, disinterested, power should be called in to eliminate the dispute. Both Britain and Russia would be relieved of an anxiety and constant source of friction if each could be assured that the other would have no special position in the area, and it is not inconceivable that both would regard this assurance as worth whatever ambitions might be given up. In this connection, it seems hardly possible that either could suspect the United States of having imperialistic designs in a country so far removed from us and where we could never hope to employ military force against an adjacent Great Power.

(c) If war cannot be waged without taking risks, I submit that the same is true of the making of peace. In any case, if we try and fail, we shall have lost nothing more than if we do not make the attempt. If the ambitions of Britain and Russia, their mutual distrust, or their established interests, are so strong that they would

³² For correspondence on the American adviser program in Iran, see pp. 510 ff.

override a purely disinterested effort on our part to improve conditions in Iran, then we may assume that peace, in that part of the world, was doomed from the beginning.

(*d*) The expenditures involved, even if all of them should be a total loss, would be insignificant by contrast with the cost of the present war, and infinitesimal beside the material and human cost of a failure to make a satisfactory peace throughout the world.

(*e*) This objection will be met with in connection with any effort by the United States to participate in a cooperative post-war settlement, and we must be prepared to accept it. In the case of Iran, it could be countered by emphasis on the humanitarian aspects and should appeal to the normal American sympathy with anything savoring of assistance to the underdog. If properly presented, a policy of help for Iran might, indeed, receive the same sort of popular approval as has been accorded to our support of China.

Finally, I should like to reiterate the conviction previously expressed that if the principles of unselfish fair-dealing enunciated by the Atlantic Charter are ignored when it comes to Iran, or any other country in similar circumstances, the foundations of our peace will begin to crumble immediately. In my opinion, this is the overriding argument which should lead us to seize every opportunity to direct events in such a way that there will be no occasion for power politics or conflict of interests among the United Nations in their relations with Iran.

If this conclusion is sound, I believe that we should not only comply to the best of our ability with Iranian requests for advisers and supplies but should also take the initiative in suggesting the employment of American specialists and application of American methods in various fields; further, we should not be content merely to support or oppose British or Russian policies and demands in Iran, but should put forward positive suggestions of our own for the improvement of conditions. To this end, we should regard ourselves as at least equally responsible with the British and Russians for the solution of Iranian problems and need not, in any way, leave the initiative to them merely because they happen to be the occupying powers. Moreover, here in Washington we should actively enlist the cooperation of all appropriate agencies of the Federal Government in support of this policy, and we should not confine ourselves solely to steps whose close connection with the war effort can be clearly demonstrated. If necessary, we should make it clear to the other agencies that we regard measures to promote a satisfactory ultimate settlement in Iran as being only slightly less important than those immediately directed towards the winning of the war, and that we consider it most unwise to defer all such measures until the war is over.

891.00/1995 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, February 22, 1943—6 p. m.
[Received February 23—2:47 p. m.]

198. My 187.³³ Majlis yesterday gave Soheily Government vote of confidence of 89 out of 99 Deputies present. Were 8 abstentions and 2 blank ballots but no contrary votes. Two Deputies demanded Government explain why American troops have come to Iran without formal agreement having been reached. Prime Minister replied that Deputies need have no fears in this regard as negotiations for an agreement are under way.³⁴ Deputy Teymour attacked Sheridan³⁵ in bitter terms stating food situation³⁶ has deteriorated since Sheridan's arrival, charging Sheridan with incompetence and demanding his removal. This Deputy also attacked transport regulations and organizations set up by Iranian Allied Transport Board. Prime Minister in his speech promised investigation and report on these matters and spoke in very favorable terms of Iran's relations with United States.

While Soheily is at present receiving support of press and Majlis almost all observers predict his Government will not last for more than 2 months. I am not sure this will prove the case. If he can weather storm for a few weeks until wheat begins to arrive from United States and until certain economic and financial plans come to fruition he may be able to take personal credit for achievements of substantial benefit to country.

DREYFUS

861.24/1311 : Telegram

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

KUIBYSHEV (Moscow), March 8, 1943—noon.
[Received March 9—12:10 p. m.]

241. I was called to the Foreign Office on Saturday by the Chief of the American Section, who, after stating that it was his unpleasant duty to inform me of "anti-Soviet activities by American representatives in North Iran" read to me through his interpreter an *aide-mémoire* substantially as follows:

The following trustworthy data concerning certain activities of American representatives in Iranian Azerbaidzhan are in the possession of the Peoples Commissariat for Foreign Affairs.

³³ Dated February 17, 3 p. m., not printed; it reported appointment of the new Cabinet with Ali Soheily as Prime Minister (891.002/379).

³⁴ For correspondence regarding proposed agreement covering the presence of American troops in Iran, see pp. 453 ff.

³⁵ Joseph P. Sheridan, American Food and Supply Adviser to the Iranian Government.

³⁶ For correspondence on this subject, see pp. 600 ff.

On February 12, 1943, Mr. Kuniholm the American Consul at Tabriz and Mr. Vivant [*Vivian*]³⁷ the American Adviser, called upon the Governor General of Azerbaïdzhan³⁸ and conversed with him about the province. In the conversation Mr. Kuniholm, referring to the food difficulties and explaining them by the purchases of grain and fodder for Red Army units, declared rudely that the stay of the said units is not called for by military necessity and that their detention in Azerbaïdzhan pursues some special aims. In the Consul's opinion the Iranian Government had acted incorrectly by signing an agreement for the delivery of wheat and barley for Red Army units. The Consul stated his intention to raise the question to the American Minister in Tehran about the necessity of rupture of said agreement.

At the same time Mr. Vivian called to him Mr. Jurabchi, a representative of the management of the local shoe factory, and Mr. Baftai, technical director of the Iran shoe factory, which have manufactured overcoat cloth and shoes for the Red Army and interested himself in the condition of said enterprises. Moreover Mr. Vivian recommended Messrs. Jurabchi and Baftai to cease production of overcoat cloth and army shoes for the USSR at their factories, referring to the fact that the local market is suffering from great want of said goods, although it is well known to Soviet representatives that the production capacity of said factories considerably exceeds the requirements of the local market for the articles they manufacture.

The Peoples Commissariat hopes the Embassy will inform the State Department of the foregoing and will direct its attention to the actions unfriendly to the USSR of the above mentioned American consular representatives in Iran.

Repeated to Moscow and Tehran.

DOOMAN

711.91/92

The Minister in Iran (Dreyfus) to the Secretary of State

[Extracts]

No. 480

TEHRAN, March 9, 1943.

[Received March 27.]

SIR: I have the honor to submit the following discussion of current American-Iranian relations.

The Department is well aware of the friendly attitude toward the United States which has been shown during the last year or so by the Iranian people and press. The purpose of this despatch is to consider how these cordial relations have been affected by our increased activity in Iran and by the deteriorated internal situation of the country.

³⁷ Rex Vivian, American representative in Azerbaijan province for Joseph P. Sheridan, American Food and Supply Adviser to the Iranian Government.

³⁸ Gen. Hassan Mugadam.

I suggested in despatch No. 363 of October 26, 1942,³⁹ that there is a growing tendency on the part of the Iranians to classify the United States with the British and Russians and, at least by inference, to blame us increasingly for Iran's woes. While this tendency is still noticeable and has even increased to a certain extent, the press and public continue on the whole to treat the United States in a friendly and favorable manner. It would seem not unlikely, however, that Iranian criticism of the United States will grow as our complex problems in Iran multiply, as the Iranians feel more and more the inevitable pinch of the war, as some of the more difficult Iranian problems continue unsolved, and as Iranians begin to find that American advisers are human beings capable of error. The following paragraphs will examine some of the problems which are, or may become, points of irritation in our relations with the Iranians.

The presence of American troops in Iran is a potential source of difficulties. As indicated in my telegram No. 198 of February 22, the Prime Minister was interpellated in the Majlis on the subject of the presence without consent or agreement of American forces in Iran. The newspapers have also taken up this point but in a very mild and restrained way. There follows a typical example of newspaper comment on the subject:

Keihan Feb. 21 "We have very happy relations with the United States Government. But things should be done according to principles and regulations. They (the Americans) should not have entered this country in violation of principles and without previous authority. The Iranians did not protest because of the extreme friendship existing between the two countries. I request the cabinet of Mr. Soheily to maintain relations on the basis of principles. If the Americans wish they may also participate in the Treaty (tripartite pact)."

The Prime Minister, in answer to criticism on this score, replied in the Majlis on February 21 as follows:

"In the meantime I wish to bring to your attention the information I have obtained concerning the Americans. I will read to you the text of a letter received from the Foreign Office:

"Whereas the American Government assumed the position of sending armed forces to Iran, stating that the action is essential to expedite transport on the Iranian railway;

"Whereas on the strength of the Atlantic Charter and the democratic principles which form the basis of the policy of the United States Government, the Iranian Government has always been certain the American Government will not take any action inconsistent with the independence and integrity of Iran;

"Therefore, in order that the dispatch of these troops to Iran on the basis of the Atlantic Charter and with the consent of the Iranian Government should be based on an agreement with mutual consent, the Iranian Government requested the United States Government to enter into an agreement in this matter. A reply has been received from the Legation in Washington to the

³⁹ Not printed.

effect that the American Government is in principle in accord with the Iranian Government that this matter be put in order. For this reason it is contemplating an agreement between the two Governments in this respect.

"We hope that this project will be prepared and the agreement will be concluded."

The conduct of American forces in Tehran leaves something to be desired.⁴⁰ Iranians are apt to notice and remark on drunkenness and disorder on the part of foreign troops. They have been impressed by the superior conduct of Russian soldiers as compared with American, British, and Polish. There is circulating an apparently authentic story of a Russian officer who was first broken in rank and later in the day executed for drunken conduct in the Palace Hotel. In contrast to this British troops, and to some extent American, receive little disciplinary action for their rowdy and sometimes drunken conduct. The question is receiving serious attention by the American military authorities in Tehran and there is, I believe, some improvement. It should be mentioned that the American forces here are raw and untrained technical forces. Motor accidents and occasional incidents are unavoidable where there are concentrations of troops. There have been several motor accidents, one or two fatal, involving American drivers and Iranians, but so far they have been settled with a minimum of friction, usually on the payment of "blood money". A serious incident, which has given rise to public criticism, has just occurred. An American sentry at Camp Atterbury shot and killed an Iranian whom he was endeavoring to dissuade from defecating in or near the water supply. Warning shots were fired in the direction of the man and one appears to have deflected from a stone and caused his death. The sentry has been arrested and held for trial and the Iranian Foreign Office has been furnished full details. The incident has led to widespread misstatements that American soldiers have fired on many Iranians. The following statement in the Majlis is typical:

Deputy Amir-Teimur in the Majlis March 4: "I have a question to ask the Prime Minister, who is also Minister of Interior, and I request him to come here and answer it. The question is this: It is understood that American soldiers have opened fire on a number of innocent people and have killed several. I should like to know how many have been killed and why no action has been taken. If the matter is not true he may deny it, and if it is true the offenders should be punished."

I have furnished full and correct details to the Prime Minister to enable him to answer the interpellation in the Majlis. In this connection I am promised by the Iranian Government that its agreement to permit jurisdiction by American military authorities over offenses

⁴⁰ For correspondence on this subject, see pp. 487 ff.

committed by our forces will be forthcoming in the immediate future. I feel certain that the Iranians will not question American jurisdiction in the present case. The entire matter will be reported to the Department by separate despatch.

There is an increasing tendency on the part of the Iranians to think of the United States as one of the allies when they heap abuse and blame on the allies for Iran's unfortunate food situation. I greatly regret the delays which took place in getting the 25,000 tons of wheat from the United States under way since it is arriving too late to meet the winter famine. However, it certainly was no fault of this Legation or of the Department of State, both of which moved heaven and earth to see that Iran's wheat shortage was met. I am constrained to repeat that the fault must rest on the shoulders of the British who, even if well-intentioned, delayed the matter consistently because they were of the opinion that wheat hoards existed in the country and could be brought to light if sufficient pressure were put on the Iranians. The press takes the view that Iran has been pillaged by the allies, who now look blandly on while Iran starves. British propaganda in this matter of food has, in true style, tripped itself up and smashed its nose on the curb stone. In a radio broadcast and press release, to prove to the Iranians that the allies are actually in the process of helping Iran with wheat supplies, the British gave the opposite impression. Their statement repeated that there are hoards of wheat in various parts of Iran and declared that the reports being circulated to the effect that 10,000 tons of wheat from the United States have arrived are false. They failed for some mysterious reason to make known that several thousand tons of wheat have in fact arrived or are about to arrive at Persian Gulf ports. This broadcast was, I am told, the work of Counsellor Squire, that Indian civil servant par excellence, whose main preoccupation is to justify his consistent contention that there is sufficient wheat in Iran to feed the people. I have decided to take the matter in hand and see personally that newspaper editors are told the truth about allied aid to Iran in wheat, transport and other matters. The following excerpts from a leading editorial of *Mehr-i-Iran* of March 4 are typical of the bitterness Iranians feel about the wheat matter. They also reveal the potential danger to our own relations with Iran inherent in the wheat situation.

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There are those who believe the existence of undercover efforts on the part of the British and Russians to discredit our advisers and American efforts in Iran. I see no evidence that the British are indulging in any kind of propaganda or whispering campaign to discredit us. They are undoubtedly aware that, considering their own low repute, any such program would fall on sterile ground and operate

only to their own harm. As the Department knows, the British have in some cases requested that American advisers be sent to Iran. However, I have a feeling that the British agreed readily to our adviser program in the hopes that American prestige in this country, which they know has been at a peak, will fall considerably when the Iranians discover advisers are ordinary human beings and not supermen. The British know from bitter experience how difficult the Iranians are to deal with and perhaps take secret delight in letting the Americans have their round. As to the Russians, I have received several indications that they are beginning to resent the American adviser program. The Russian Ambassador has let drop a number of remarks which would indicate he is not entirely pleased. The Foreign Minister told me, for example, that the Ambassador had in conversation with him inquired pointedly as to why the Iranians are employing American advisers when it is well known that the Russians are the best administrators in the world. While these are only straws in the wind future Russian reaction to our program should be carefully observed.

I have given above some of the less favorable aspects of Iranian reaction to our efforts. It should be emphasized that they are definitely minority views covering exceptional cases. The press, public, and Majlis continue to treat us, on the whole, in a most friendly and flattering manner. Scores of press items monthly deal with America, principally with our war effort. They give stories of leading American personalities, reproduce pictures of planes and ships, print facts regarding American war production and generally deal with the American war effort in a favorable light. Let me quote, in closing, excerpts from a few of the many editorials which have in recent weeks presented America to the Iranian public in a most favorable manner.

Respectfully yours,

LOUIS G. DREYFUS, JR.

891.24/370 : Telegram

The Acting Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, March 12, 1943—6 p. m.

123. Kuibyshev's 241, March 8 to Department regarding Soviet complaint against Kuniholm and Vivian. Department assumes you will consult Kuniholm in this connection, and we shall, of course, await your comments before considering a reply.

Please also report whether the grain situation in Azerbaijan, as described in Kuniholm's letters to you of February 1 and 10,⁴¹ will affect the wheat import program presented by Sheridan (your 44, Janu-

⁴¹ Neither printed.

ary 13 and 144, February 9⁴²) and approved by British and American governments. Does Sheridan still expect to get supplies for Tehran from Azerbaijan, and if not may we expect any request for additional imports?

Present program, on which Department is working in collaboration with British and other agencies of this Government, contemplates total deliveries to Iran of about 30,000 tons wheat, plus some 25,000 tons additional for civilian employees of Anglo-Iranian Oil Company, Persian Gulf Service Command and Persia and Iraq Command. This may require some reduction in shipments to Soviet Union. We can give no assurance that quantity for Iran could be increased, but in connection with possible reply to Soviet complaint, we should like to have as accurate a picture as possible of the present grain situation. Any increase in Iranian wheat imports would almost certainly be at the expense of planned shipments to Russia, and we may wish to point this out to Soviet Government as an argument against its purchases of Azerbaijan grain.

WELLES

711.91/91

The Acting Secretary of State to the Minister in Iran (Dreyfus)

No. 202

WASHINGTON, March 13, 1943.

SIR: There is enclosed herewith a copy of a memorandum⁴³ which represents the view of the Department on the general policy to be followed by this Government with respect to Iran and which you may, accordingly, take for your guidance in this connection. The Department would be glad to have any observations you may care to make, in the light of your knowledge of conditions on the spot, regarding the practicability of putting into effect the line of policy laid down in this memorandum. You are also requested to suggest, from time to time, whatever measures may seem to you likely to be effective in attaining the objective set forth, namely, the development, with American assistance, of a stable Iranian Government and a strong Iranian economy.

In working toward this objective, the Department considers it essential to avoid any appearance of conflict with Great Britain or the Soviet Union, and it is believed the safeguarding of legitimate British and Russian economic interests in Iran is a requisite for the success of our efforts.

Very truly yours,

SUMNER WELLES

⁴² Neither printed, but see telegram No. 397, January 18, to the Ambassador in the United Kingdom, p. 603.

⁴³ Memorandum by Mr. John D. Jernegan of the Division of Near Eastern Affairs, January 23, p. 331.

891.24/399 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, March 15, 1943—noon.

[Received March 15—10:26 a. m.]

272. Department's 123, March 12. I have telegraphed Kuniholm to come to Tehran so that this matter may be carefully investigated. In view of lack of dependable means of travel between Tabriz and Tehran 2 weeks or so may elapse before Kuniholm's arrival.

Question of wheat will be made subject of separate telegram.⁴⁴

DREYFUS

891.00/2007 : Airgram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, March 20, 1943—noon.

[Received April 14—4 p. m.]

A-9. One of the most important and controversial political topics today in Iran concerns the Majlis elections which are due to be held in August. Most high Iranian officials in their growing fear of communism (see my despatch No. 478 dated March 8, 1943⁴⁵) are apprehensive that as result of elections almost all of the 55 deputies from Soviet occupied zone and many from other areas will be Socialists or Communists. There is therefore, a widespread desire on part of politicians, merchants and representatives of entrenched classes to postpone elections. The British Minister told me frankly that he favors postponement; his stand is undoubtedly dictated by fear of increase in Soviet influence in Iran in detriment to long range British interests. Prime Minister informed me confidentially that Soviet Ambassador has urged him to have elections held as scheduled. Prime Minister expressed opinion to me that, while it may become necessary to postpone elections or even dissolve the Majlis, it is too early yet to consider such matters. Hekmat⁴⁶ suggested to me solution based on postponement of Majlis elections and holding instead elections for the Senate, which is provided for by the Constitution but has never existed. Since Senate would be composed of 60 members of which 30 would be appointed by Shah and 30 elected, Hekmat feels that this expedient would accomplish dual purpose of satisfying people on score of elections and preventing serious Communist or Socialist gains in Parliament.

⁴⁴ Telegram No. 273, March 15, p. 611.

⁴⁵ Not printed.

⁴⁶ Ali Asghar Hekmat, Iranian Minister of Justice.

I have expressed no views on subject because I feel it is unwise and dangerous to meddle in internal affairs of this kind. Personally I feel that democratic processes should continue in spite of the fact that interests of privileged Iranian classes or foreign powers may suffer.

DREYFUS

891.24/405 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, March 20, 1943—4 p. m.

[Received March 21—2:31 a. m.]

295. Department's 123, March 12. Kuniholm reports that bread riots took place in Tabriz Tuesday. He is of opinion that Azerbaijan problem can be improved only by (1) strong Government action against recalcitrant landlords, (2) dismissal of dishonest and unreliable Governor General Mugadam and (3) cancellation of Iranian-Soviet cereals contract ⁴⁷ even if penalty clause be invoked. He reports great Soviet pressure for removal of Vivian, who he considers has done a heroic job against hopeless odds and in spite of lack of Iranian or Soviet cooperation. Prime Minister informs me he is sending Cadazyon to Tabriz to investigate.

This turn of affairs in Azerbaijan brings to a head the general question of Soviet position in Iran. There is mounting evidence of (1) increase in Soviet domination of Iran and obnoxious pressure to obtain their ends and (2) Soviet resentment and suspicions of American adviser program and of general American action in Iran. Dr. Millspaugh ⁴⁸ expresses deep concern at what he considers Soviet exploitation of Iran, particularly in matters of arms contract (see my 58, January 18 ⁴⁹) and the Iranian-Soviet financial agreement which was signed yesterday. He believes these agreements are harmful to Iran and were negotiated virtually under duress. He is of opinion that question of Iran's involuntary subordination to Soviets must be clarified. He believes Iran Government is too weak to withstand Soviet pressure unless it feels assured of positive and immediate American and British support.

⁴⁷ In December 1942 Iran and the Soviet Union signed a contract for the delivery by Iran to the Soviet Union of 5,000 tons of wheat, 15,000 tons of barley and 30,000 tons of rice.

⁴⁸ Arthur C. Millspaugh, American Administrator General of Finances in the Iranian Government; for correspondence on the Millspaugh Mission, see pp. 510 ff.

⁴⁹ *Post*, p. 633.

Soviet authorities here are cordial but wholly uncooperative. General Connolly⁵⁰ has had difficulties in obtaining Soviet permission to establish service stations and accommodations for convoy drivers in Soviet zone. As result he is dumping war supplies at Kazvin until his reasonable demands are met. Since Russians are anxious to have goods delivered at Tabriz and Resht they will probably soon submit to his conditions. Soviet Embassy has so far refused to grant permit to Colonel Schwarzkopf⁵¹ to make official inspection trip to Resht. There has been unreasonable delay in obtaining visas and permits for American personnel and planes going to Russia and northern Iran. British Minister states British relations with Soviets here have been friendly but futile.

In friendly talk yesterday with Soviet Ambassador⁵² I inquired why he has refused the Schwarzkopf permit and why Russians here are not more cooperative. His reply, which was given only after urging, was that Americans had failed to notify him or Soviet Government of fact of our troops coming to Iran. Department's comments on this point would be appreciated. It seems to me time has arrived to clarify this general question since Soviet attitude may well vitiate our entire adviser program. Already there are rumors that Russians here are urging Iranian Government not to engage any more Americans. I will report fully on above subjects by telegram and despatch as soon as Kuniholm arrives in Tehran. Copies of final text of arms contract and financial agreement together with Millspaugh's comments will be sent by mail.⁵³

DREYFUS

891.24/406 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, March 21, 1943—10 a. m.

[Received 9:30 p. m.]

299. My 272, March 15. Following from Kuniholm.

"Complaint is part of campaign by Governor General to discredit and remove Vivian and me from this area. See my reports since New Year for details of this campaign. Problem has now become one of power politics and we are helpless unless rendered effective support.

⁵⁰ Maj. Gen. Donald H. Connolly, Commanding General, Persian Gulf Service Command.

⁵¹ Col. H. Norman Schwarzkopf, former head of the New Jersey State Police, was in Iran as a specialist to organize the Iranian *Gendarmerie* (rural police); for correspondence on the Schwarzkopf Mission, see pp. 514-560, *passim*.

⁵² A. A. Smirnov.

⁵³ See despatch No. 504, April 2, p. 634.

Russians are annoyed that there should be an American Consulate in the occupied area. They are the more annoyed that an American should be on the spot directing food supply (and have so informed British Consulate), which effects that. They have complained about lack of cooperation and energy of our American troops in Tabriz. They have refused to let American Army set up proposed camp near Tabriz to help expedite Lend-Lease shipments. In short they want the place to themselves and are irritated that foreign eyes are free to observe with impunity what is going on in the Province. I believe it is a 'build up' to permanent occupation. Bread riots will serve as pretext for taking over full control.

In February 12 conference referred to in your telegram I served as interpreter between Vivian and Governor General. I deny making statement attributed to me.

Vivian and I arriving Monday morning March 22."

DREYFUS

891.24/408 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, March 24, 1943—2 p. m.

[Received March 25—1 : 58 p. m.]

310. My 272, March 15, and 295, March 20. Kuniholm and Vivian have arrived in Tehran. As indicated in my 299, March 21, Kuniholm denies remarks attributed to him in February 12 conversation with Governor General in which he served, at request of all parties, merely as interpreter. He admits having interpreted a statement made by Vivian that fulfillment of Iranian Soviet cereals contract would result in food shortage in Tabriz a contention which has been borne out by developments. Both Kuniholm and Vivian report that Soviet Consul General at Tabriz has been unfriendly, rude and uncooperative. He was especially intransigent in matter of wheat.

Vivian was expelled from Tabriz by Soviets who gave him 24 hours to depart on grounds that his permit had expired. This action was not only abrogation of Iranian sovereignty but was also based on false grounds since permit referred to is a mere *laissez passer* to travel to Tabriz and not in any sense a residence permit. Vivian denies categorically having made remarks attributed to him either to persons^{53a} or any one else. He is conferring with Sheridan and Prime Minister after which he expects to request Soviet permit to return to Tabriz. This will almost certainly be refused. Judging from my conversations with Kuniholm and Sheridan and from Vivian's various reports

^{53a} Presumably the persons mentioned in telegram No. 241, March 8, from the Chargé in the Soviet Union, p. 337.

I am convinced Vivian has done a heroic job for Iran against hopeless odds. He was sacrificed by the Soviet authorities in collusion with the Governor General because former insisted on their pound of flesh in form of the fulfillment of the Soviet Iranian cereals contract and because latter deeply resented Vivian's titanic endeavor to make the Iranian landlords disgorge their hoarded wheat.

Governor General in addition to being allegedly corrupt and subservient to Soviets is one of Azerbaijan's largest land owners. Vivian has been able to deliver to date only 1500 [tons] of the 5000 of wheat and 3000 tons of the 15000 of barley due Soviets under contract and he contends that to deliver remainder will cause severe shortage in Tabriz.

Complaint made by Soviet Government seems to me to be based on Soviet resentment of foreign influence in Azerbaijan. This resentment is evident also in unreasonable Soviet objection to General Conolly's request to establish stations for truck service in Soviet zone (see my No. 295) I am sure both Kuniholm and Vivian were merely endeavoring to do a good job under difficult circumstances and that neither has indulged in anti-Soviet activities.

Soviet attitude toward Kuniholm is explained to some extent by following remark made to me by Soviet Ambassador "Kuniholm's difficulties in Tabriz probably arise from fact that he is a Finn".

While Kuniholm has Soviet return permit for Tabriz and is willing to go back he points out that his return would be embarrassing for him and might result in reprisals and bodily harm to his Iranian friends. For example mayor of Tabriz was severely beaten and imprisoned by Governor General and his henchmen as a result of his visit to Kuniholm to seek protection, a matter which is today being placed before the Prime Minister. Department is requested to inform me whether it wishes to have Kuniholm return to Tabriz in order not to be placed in position of acceding to unjustified Soviet complaint. If Department believes Kuniholm's return would not be wise he could be assigned temporarily to Tehran and Ebling⁵⁴ could proceed to Tabriz in accordance with procedure already suggested by Near Eastern Division. In latter event, since it is understood Kuniholm has been promised home leave this year and considering the great delay in travel to Iran Department is requested to assign at once an officer to replace Ebling.

Reports of Kuniholm and Vivian will be sent airmail.

DREYFUS

⁵⁴ Samuel G. Ebling, Second Secretary of Legation in Iran.

891.00/2015

*Memorandum of Conversation, by Mr. John D. Jernegan of the
Division of Near Eastern Affairs*

[WASHINGTON,] March 29, 1943.

Participants: Mr. W. Strang, Deputy Under Secretary for Foreign
Affairs of Great Britain⁵⁵

Mr. Murray

Mr. Alling

Mr. Jernegan

Mr. Murray spoke of the interest of the United States in Iranian affairs, in consequence of that country's importance to the war effort, and referred to the American program of assistance to Iran in the form of advisers and technical experts. He asked whether the British Government did not agree that some form of outside assistance would be needed to put Iran back on her feet and whether it did not seem desirable that this aid be provided by the United States in order to avoid the difficulties which had arisen in the past when Great Britain and Russia have judged it necessary to intervene in Iran. Mr. Murray recalled that the British Government itself had taken the initiative some time ago in suggesting that the United States furnish a military mission and other advisers. The United States had, in fact, responded to a number of Iranian requests for advisers and believed that it would be advantageous to the common cause to continue and expand this program, since otherwise there might be a collapse of the Iranian Government with a resulting serious drain upon the resources of the Allies in maintaining order and keeping the Russian supply route open.

Mr. Murray then went on to speak of disquieting reports which had recently been received regarding the attitude of the Soviet authorities in Iran. It appeared that the Soviets were increasing their influence in northern Iran and at the same time looking with suspicion upon the efforts of the American advisers to assist the Iranian people. They had complained against the American Consul at Tabriz, whom they obviously wished to get rid of, and they had just expelled from Azerbaijan an American representative⁵⁶ of the Food and Supply Adviser who had been trying to prevent famine in the province. Further, they had placed obstacles in the way of the operations of General Connolly's force, which was dedicated to the transporta-

⁵⁵ Mr. Strang was in Washington as a member of the party accompanying British Foreign Secretary Eden, who was engaging in a general consultation with the Secretary of State; for correspondence relating to this subject, see vol. III, pp. 1 ff.

⁵⁶ Rex Vivian.

tion of supplies to Russia. They had not yet even expressed their assent to the presence in Iran of this force.

(In this latter connection, Mr. Murray remarked that it was unfortunate the British Government had not advised the Soviet Government of the plans to bring in American troops. We felt that since the British were in control of southern Iran, it was their responsibility to clear a matter of this kind with their Ally, instead of which we had been placed in the position of making explanations to the Russians which should never have had to be made. We now understood that the British Minister at Tehran had offered to provide full information to the Soviets, but we did not know whether he had done so. Mr. Strang said he had no information on this.)

The general Russian attitude, Mr. Murray said, was reminiscent of the pre-1914 period, when Morgan Schuster [*Shuster*]⁵⁷ was forced out of Iran by Russian pressure. The Department had been thinking, therefore, that it might be advisable for the American and British Governments to open parallel or joint conversations with the Russian representatives in Tehran, with the idea of enlisting active Soviet cooperation in solving Iranian problems.

Mr. Strang commented that it was impossible to talk to the Soviet authorities except at Moscow, and Mr. Murray replied that we realized the Ambassador at Tehran would not be able to make any important decision but we felt it would be well to begin by taking soundings at that point.

Mr. Murray alluded to the question of "disestablishment" of the Allied powers in Iran which would arise at the end of the war. He felt that American influence and activity in Iran would be helpful at that time. In this connection, he felt we should keep in mind the strong personal interest of the President in the general Iranian question, and he referred to the exchange of messages which had taken place between the Shah and the President at the time of the Anglo-Russian occupation.⁵⁸ The President had taken note of the assurances given by the British and Russian Governments that Iranian independence would be respected.

Mr. Strang asked how much of the foregoing had been sent to London. Mr. Murray replied that we had advised London fully by telegraph of our general attitude toward the Iranian situation and had also been in close touch with the Foreign Office regarding specific problems which had arisen. In addition, we had discussed matters with Mr. Casey on the occasion of his visit to Washington. We had

⁵⁷ W. Morgan Shuster, American economist and financial authority, appointed financial adviser to the Iranian (then Persian) Government in 1911; see *Foreign Relations*, 1911, pp. 679-686.

⁵⁸ Messages exchanged August 25 and September 2, 1941, *ibid.*, 1941, vol. III, pp. 419 and 446, respectively; for correspondence relating to the Anglo-Russian military occupation of Iran on August 25, 1941, see *ibid.*, pp. 383 ff.

not, however, been in communication with London with respect to the Russian attitude, which had only become alarming in recent weeks, although the matter had been mentioned in passing to Mr. Casey.

In the course of our interchanges with London, we had received the impression that there was a complete meeting of minds between the Foreign Office and the Department, but there seemed to be a hiatus between the views of the Foreign Office and the actions of the British authorities in Iran. There also seemed to be an impression that the American Minister at Tehran was anti-British and was not cooperating with his British colleague. Mr. Murray felt that this was unfortunate, in the first place because he was sure it was not true. He emphasized that the Minister had been in very close touch with the Department throughout the recent difficulties and had been acting in precise accord with the instructions of the Department.

Mr. Strang said that he did not himself deal with Near Eastern affairs and could not comment on Mr. Murray's remarks. However, he had made careful notes and would report our views to the Foreign Office.

891.24/408 : Telegram

*The Secretary of State to the Minister in Iran (Dreyfus)*⁵⁹

WASHINGTON, March 30, 1943—10 p. m.

151. Your 310, March 24. Kuniholm should remain at Tehran for the time being. Official orders for shift in assignment will be issued shortly. As soon as new consul for Tabriz has been designated, we propose to advise Soviet Government, stating at same time that we have investigated and find no evidence that Kuniholm has acted improperly or has carried on activities against the interests of the Soviet Union.

HULL

891.24/405 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, March 31, 1943—5 p. m.

153. Your 295, March 20. Department believes it would be well for you to take first opportunity to have a full and frank discussion with Soviet Ambassador regarding American policy and activities in

⁵⁹ In an undated memorandum attached to this telegram Mr. John D. Jernegan of the Division of Near Eastern Affairs informed higher officers of the Division and the Department: "Mr. Richard Ford [Consul at Buenos Aires] has already been designated Consul at Tabriz but probably will not reach there for some months. The attached telegram is intended to give the Minister advance notice of Department's thoughts and prevent Kuniholm from returning to Tabriz in absence of orders."

Iran. There is suggested below a line of approach the substance of which, in your discretion, you are authorized to embody in an *aide-mémoire* to be left with the Ambassador. It might also be well to give a copy to your British colleague for his information.

(1) Since the entry of the United States into the war, this Government has felt itself bound to take an interest in conditions in Iran because the geographically strategic position of that country gives it an importance to the common war effort of the United Nations out of all proportion to its size, wealth and population. As the Soviet Government doubtless knows, American-Iranian relations during the past few years have been on a very cordial plane, and we have felt that this friendly character of our relations afforded an opportunity to influence the Iranian Government in a way favorable to the United Nations cause. More specifically, we have endeavored to use our influence to restore and maintain political and economic stability in Iran because we are convinced that this is the best means of keeping open the route for the transport of American and British supplies to the Soviet Union via the Persian Gulf. It seems clear to this Government that a collapse of internal order in Iran would entail a very high cost to the United Nations in the form of a diversion of troops and matériel from the fighting fronts and that even if such a diversion were made it might be very difficult to keep the supply route uninterrupted in the face of a hostile population having on its side the formidable distances and natural obstacles of the Iranian terrain.

In addition to these practical considerations, the United States has been motivated in its policy by the conviction, which it knows is shared by the Soviet Government, that the principles to which the United Nations are committed require that they should do everything possible for the welfare of those smaller nations who are affected by United Nations war operations.

2) The Iranian Government, of its own accord, has addressed to the American Government certain requests for assistance in maintaining Iran's economy and internal organization. In the light of the views set forth above, this Government has felt it in the interest of the United Nations to give these requests such sympathetic consideration as has been possible under war conditions.

Along with requests for material aid in the form of commodities for import, the Iranian Government has asked the assistance of the United States Government in employing American citizens to serve as advisers and technical experts in various fields. In view of the prevailing disorganization in the Iranian governmental machinery, we have believed that the work of competent foreign personnel could not fail to be helpful not only to Iran but also to the tranquility of United Nations operations in Iran. Accordingly, the Department of

State has lent its informal assistance in finding and suggesting to the Iranian authorities qualified men for the positions in question. In no case have these men been selected with a view to serving any American, as distinguished from United Nations, interest. This Government is sure that each man has accepted the position offered him with the thought that by so doing he would be contributing to the common drive toward victory over the Axis and with the primary objective in mind of creating conditions in Iran which would permit the free and untroubled movement of essential supplies to the Soviet Union.

3) Further to facilitate the movement of supplies to the Soviet Union, the American Army some months ago acceded to a request made by the British Army that American technical troops should assist in improving communications by undertaking the physical operation of certain Persian Gulf ports and certain railroad and highway routes between the Persian Gulf and Tehran. As the Soviet Government knows, American technical troops are now in Iran in limited numbers for this purpose. This force has no other purpose or interest whatsoever. It includes no combat troops.

As hitherto, the British military forces in Iran have ultimate control over transportation routes in southern Iran and retain responsibility for the maintenance of security. There has been no suggestion or thought that American troops should replace or supplement British troops as a force of occupation. It is understood that the British Minister at Tehran has undertaken to provide full information regarding all technical arrangements in which the Soviet Government may be interested.

4) The United States Government is sure that the aims of the Soviet Union and the United States in Iran are identical, both countries being anxious to create and maintain conditions which will assist in the prosecution of the war and which will lay the foundations for a lasting peace in that country in the postwar period. This Government desires, therefore, to ensure the closest possible coordination between our two nations in our endeavors to achieve this objective. It is for this reason that the American Minister has been instructed at this time to set forth to the Soviet Ambassador clearly and fully the policy of the United States with respect to Iran. The United States will be glad to keep the Soviet authorities currently informed of any developments in American-Iranian relations which might be of interest to the Soviet Government, and this Government will welcome any specific inquiries which the Soviet authorities may care to make from time to time with regard to any matter in this field. It may be that occasional differences of opinion will arise with respect to the exact means to be employed in pursuing our common policy. In such a case, this Government would be most happy to discuss the

questions at issue fully and frankly with the appropriate Soviet officials, whether at Tehran, Moscow or Washington.

Please report any action you may take to Department and advise Ambassador Standley.⁶⁰ Please do not hesitate to advise Department of any counter-suggestions you may have or any modifications you feel should be made in foregoing line of approach.

Repeated to Moscow as No. 184.

HULL

891.24/406 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, April 3, 1943—5 p. m.

162. Your 310, March 24 and 299, March 21 and Kuniholm's letter March 10.⁶¹ Department is concerned at reported attitude and activities of Governor General Mugadam. We would like full telegraphic report on any investigation being made by Iranian authorities and results of any representations you may have made regarding attack on Mayor of Tabriz in consequence of his visits to Kuniholm and Vivian.

Do you believe it would be well for the Department to give you instructions to make a formal protest and request Mugadam's replacement? It is thought we might take line that American Government is making considerable sacrifices of shipping space to send wheat to Iran; that this is being done on basis of wheat agreement signed December 4, which specifically provides that Iranian Government must do everything possible to utilize domestic supplies of grain, and that we cannot be expected to import grain while high Iranian officials are deliberately obstructing the collection of Iran's own supply in the principal grain producing area of the country.

HULL

891.24/419 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 7, 1943—9 a. m.

[Received 11 : 27 p. m.]

358. Department's 162, April 3. Prime Minister is sending Minister of Food Tadayyon to Tabriz today to investigate into activities of Mugadam and entire matter involving Kuniholm and Vivian. Tadayyon is instructed to determine whether or not Mugadam acted as informer to Soviets against Kuniholm. At least for moment I recom-

⁶⁰ Rear Adm. William H. Standley, Ambassador in the Soviet Union.

⁶¹ Letter of March 10 not printed.

mend no formal protest to Iran Government. Foreign Minister ⁶² informs me he regrets our action in withdrawing Kuniholm from Tabriz because he fears this arbitrary Soviet action may set a precedent by which Russians can demand or effect removal of any Iranian official or foreign representative without consulting Iran Government. Reference Department's 164,⁶³ Ebling is leaving as soon as possible to take charge in Tabriz.

DREYFUS

891.24/420 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 7, 1943—6 p. m.

[Received April 7—4:46 p. m.]

363. Department's 153.⁶⁴ I have delivered to Russian Ambassador on April 3 [an *aide-mémoire*?] along lines suggested by Department under cover of a note in which I called attention to fact that our common objectives in Iran can be successfully attained only through intimate collaboration and spirit of mutual trust. He has promised reply in near future. I have handed copy of *aide-mémoire* to British Minister.

I took this occasion to talk frankly to Ambassador about American position in Iran. Ambassador was as usual friendly and polite but was noncommittal and it was evident that my arguments had little effect on him. He stated that Kuniholm has on two occasions acted in manner harmful to Soviet interests and that Vivian handled said matters very inefficiently.

DREYFUS

711.91/95

*The Minister in Iran (Dreyfus) to the Secretary of State*⁶⁵

[Extract]

No. 517

TEHRAN, April 14, 1943.

[Received April 24.]

SIR: I have the honor to offer the following comments on American policy in Iran, comments which were suggested by the statement of

⁶² Mohammad Saed.

⁶³ Dated April 3, not printed; in this telegram the Secretary instructed the Minister in Iran to send an officer to Tabriz on temporary duty (125.9153/28a). The Minister designated Samuel G. Ebling, Second Secretary of Legation in Iran.

⁶⁴ Dated March 31, p. 351.

⁶⁵ In a memorandum of May 5 the Adviser on Political Relations (Murray) forwarded this despatch, with a summary of its contents, to Messrs. Acheson and Berle, Assistant Secretaries of State, to Under Secretary Welles, and to the Secretary.

policy set forth in a memorandum ⁶⁶ enclosed with the Department's Instruction No. 202 of March 13, 1943.

I welcome the Department's statement of policy with regard to Iran as constructive, statesmanlike and especially timely. I hardly need declare that I am in full agreement with the Department's exposition of our aims and objectives in Iran; the telegrams and despatches of this Legation, I believe, bear evidence of this complete accord. I am happy that the Department has been able to arrive at so clear cut an understanding of the issues involved in our relations with Iran and to crystalize the whole into so simple and straightforward a representation of the American viewpoint. For my part, I will endeavor, as requested by the Department, to suggest from time to time measures which may assist in implementing our stated policy and to report fully on matters which may affect the attainment of our goal.

The Department's reference to Iran as a proving ground for the Atlantic Charter struck me as particularly timely and interesting. The same thought had occurred to me and was expressed at the end of despatch No. 511 dated April 7, 1943 ⁶⁷ on the subject of the operation in this country of the Middle East Supply Center. I suggested in that despatch that we go in for some honest introspection to determine whether or not we are living up to the ideals of the Atlantic Charter in our daily actions and long range aims in Iran and I stated the belief that we could indulge in this soul-searching operation without a severe twinge of conscience. I expressed regret, however, that it has been found necessary to associate ourselves in this country with a MESC ⁶⁸ program based on compulsion and monopoly. It seems to me that it would be preferable for us to adopt a purely American approach to the Iranian problem, always bearing in mind, as aptly suggested in the last paragraph of the Department's instruction, that the safeguarding of legitimate British and Russian interests in this country is a requisite for the success of our mission.

Some of the obstacles in the way of the attainment of our Iranian objectives were discussed in my despatch No. 480, March 9th. They may, it occurs to me, be divided roughly into the four sources from which they may possibly spring—(1) the Soviets (2) the Iranians themselves (3) the British and (4) the Americans. While I have discussed these possible obstacles in various recent despatches and telegrams, it may be useful to recapitulate them briefly in this despatch.

⁶⁶ Memorandum by Mr. John D. Jernegan of the Division of Near Eastern Affairs, January 23, p. 331.

⁶⁷ Not printed.

⁶⁸ Middle East Supply Center.

(1) The Soviets. I have reported in a series of telegrams and despatches in the last month the effort which is being made by the Russians to ensconce themselves securely in Iran, by means of astute propaganda, by socialist indoctrination, by good example of their forces and by a policy consisting of a strange mixture of kindness and strong arm methods. Soviet policy in Iran continues to be, as recorded in the Department's memorandum, positive and aggressive. Reference is made, for background on this general subject, to my telegrams Nos. 295 dated March 20 and 310 dated March 24 and to the following despatches Nos. 499 of March 27, 504 of April 2, 478 of March 8 and 513 of April 8, 1943.⁶⁹

An amazingly obvious Soviet bid for Iranian sympathy came to light only the other day when it was officially announced that the Russians are making available at a Caspian Sea port 25,000 tons of Soviet wheat to feed the people of Tehran. The Department is well aware of the background of the Iranian wheat affair, how we have agreed to make up Iran's wheat deficit, how at great cost to our shipping position 30,000 tons of wheat have been sent, and how the Iranians have complained that the wheat is not forthcoming or in any event will arrive too late to be of great benefit. The Soviets, holding their punch until the last round, now come forth as the saviors of Iran and make wheat available where the British and Americans are popularly believed failed. The Iranians cannot be made, or do not wish, to understand that some 8,000 tons of the wheat from the United States have arrived in Tehran and much more at Persian Gulf ports. In fact, the Soviets have stepped in when the wheat crisis in Iran is virtually over and offered wheat which is not presently needed. One must ask, also, where the Russians will get the grain they are offering to Iran. They do not have it in Azerbaijan for, as I have reported, the authorities in that State are having difficulty in carrying out their contract to deliver 5,000 tons to the Russians. I am under the impression that large quantities of grain are being supplied to Russia from the United States so surely they do not have it to spare in Russia. In any event, it would appear that the gesture will have the intended effect—to increase Soviet prestige in Iran at the expense of the Americans and British just when the Majlis elections are coming up.

(2) The Iranians themselves are perhaps the greatest possible source of danger to our position in Iran. . . .

As indicated in my telegram No. 355 dated April 6,⁷⁰ there is evidence of a concerted and deeprooted campaign against our advisers. This springs undoubtedly from corrupt and selfish political elements

⁶⁹ For despatch No. 504, April 2, see p. 634; other despatches not printed.

⁷⁰ *Post*, p. 519.

in the Majlis who stand to lose personally with the institution of the kind of a regime our advisers contemplate. This campaign may well be, as is commonly thought here, abetted by the Russians. I have suggested to the Department the necessity of adopting a strong line in dealing with the Iranians in this matter. Unless we can require that our advisers be supported and given powers, their efforts will fail and the whole program will fall to the ground. The result of such failure would be not only to let down the Iranians but as well to cripple our own prestige. Our policy should be firm but kind, forceful but friendly, insistent but considerate. The Prime Minister, a few days ago in a conversation concerning the delay in granting Millspaugh's powers, remarked smilingly that foreigners are apt to forget that Iran is an oriental country and that things here are not done in a day. This is a statement of fact which is too often overlooked by foreigners who think of Iranians as westerners simply because they have adopted western clothing and strive to emulate us in things material.

(3) The British. There is no evidence that the British have offered any great degree of obstruction to our adviser program or the development of our influence in Iran. On the contrary, they have encouraged and sometimes suggested the appointment of Americans. However, at the risk of seeming to be an alarmist who sees a burglar behind every tree, I venture the opinion that the British have had two factors in mind in supporting our program—first, that if given enough rope we might hang ourselves in Iran by making a failure of the adviser program and second, to use us, as do the Iranians, as a buffer to counter the growing menace of Soviet domination of the country. I have not the slightest doubt that British enthusiasm for our program will wane if the Russians withdraw or if their influence becomes sufficiently reduced.

(4) The Americans. We must, finally, be sure that our own house is in order. We should, first, select competent and well balanced advisers and, second give them the advice and support they require. On the whole, as I have reported in a series of despatches dealing with the work of the various missions, our choices have been good. The Millspaugh, Ridley and Schwarzkopf missions are composed of able and sensible men. . . .

An ever present source of friction is the presence of American troops on Iranian soil. While from our viewpoint our forces have been reasonably well behaved, the Iranians complain that their conduct is bad. The American military authorities are endeavoring to keep them out of Tehran as much as possible by building barracks on the outskirts of the town. There are naturally incidents which have unfavorable repercussions on our relations with the Iranians and we

must expect the increasing criticism these must inevitably bring. It appears evident that the Iranians, basing their ideas of Americans on the few missionaries and government officials they have known, are surprised at the poor conduct of some of the members of the American forces in Iran. Perhaps, having tended to look on us in recent years in an idealistic light, they are shocked to find we are human beings. Part of our military men, I am afraid, have adopted the typical and unfortunate attitude of the casual foreign observer that the Iranians are a corrupt and backward race not worthy of help. Most of them feel, too, that they are here to do a job of war work involving moving the maximum amount of war supplies to Russia and that the needs of the Iranian civil population must not be allowed to interfere with their program. As incidents involving American troops, such as shooting of Iranians by American sentries, alleged acts of mistreatment of Iranians, traffic accidents and misunderstandings increase, a growing note of asperity creeps into communications from the Foreign Office. For example, a Foreign Office note of April 6,⁷¹ complaining about the removal of fire bricks from the Keredj foundry by American forces, used the following severe language: "If the American Government and officials sent here consider themselves within their rights to be able to seize and take away property belonging to the Iranian Government, it is requested that the Ministry of Foreign Affairs be advised, to the end that the Ministry may inform the Imperial Government of this undesirable attitude of American officials and the necessary decision be taken." In this case, the Minister of Foreign Affairs, a capable and friendly, although nervous and precipitate, individual, went off "half-cocked" since the investigation revealed that the bricks were moved by the Americans on the written request of competent Iranian authorities. The Foreign Minister made amends by calling me to the Foreign Office to express regret that he had acted without investigation. However, the incident serves to show the increasing tendency of Iranian officials to be critically conscious of the activities of our forces.

In conclusion, it seems to me imperative that we should continue on our way with patience and balance, with our objective ever in view. We must not be discouraged. The Iranians oscillate politically between dictatorship, democracy and chaos in almost perfect keeping with Plato's theory. They have remarkable resiliency, powers of recovery and ability to throw off foreign invasion, conditions which are apt to keep them going when States considered stronger and more modern have succumbed.

Respectfully yours,

LOUIS G. DREYFUS, JR.

⁷¹ *Post*, p. 488.

891.00/2009 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 21, 1943—3 p. m.

[Received 9:32 p. m.]

409. Iran appears to be on verge of another political crisis. Large part of bazaars closed yesterday afternoon and there is some uneasiness in city although no riots have occurred. Closing of bazaars is widely regarded as protest of merchants and politicians against passage of Millspaugh Powers Bill (my 385 [386], April 14⁷²) which was to be considered yesterday by Majlis and which had already been approved by Majlis Finance Committee. This gesture is a most damning indictment of present Iranian political system. It protests the passage of legislation which represents only hope of country in order that vested interests of merchant profiteers and corrupt political elements may prevail over common welfare. Suffering of the masses because of high prices has reached an unbearable pitch. Meat if it can be found costs several dollars a pound; pound sugar in black market costs \$2. This suffering is a result of unbridled greed and cannot be corrected until Government takes strongest of measures. General Ahmadi, who by decree of Council of Ministers of April 17 became Military Governor, has published proclamation asking commerce to reopen, calling attention to provisions of existing military law, ordering curfew at 9:00 and warning public that strong measures to protect public interests will be taken.

I am convinced Iran is headed for disaster unless a government strong enough to cope with entrenched classes can be instituted. Such a government might consist of a trinity of power—Millspaugh to make necessary regulations—a strong Prime Minister to put them into effect and a War Minister like General Ahmadi to enforce them on pain of summary and capital punishment.

DREYFUS

891.24/430 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 23, 1943—3 p. m.

[Received 9 p. m.]

420. Department's 162 April 3 and first paragraph of my 295 March 20. Foreign Minister informs me Tadayyon has returned from Tabriz and reported as follows:

1. Mugadam denies (a) that Kuniholm made to him the alleged anti-Soviet statements and (b) that he informed Russians Kuniholm had made such statements.

⁷² *Post*, p. 522.

2. Russian dislike for Kuniholm arose from fact that he is a "Scandinavian".

3. Vivian appears to have done good work but obviously cannot return to Tabriz as long as Mugadam is there. Foreign Minister further informs me Prime Minister intends to relieve Mugadam as Governor General of Azerbaijan even if Russians insist on his presentation [*sic*].

Tadayyon's investigation appears to have been cursory and cautious because he was faced with overriding political desirability of appeasing both American and Russians. Tadayyon also probably cannot wish to incur Russian displeasure having in mind his own political ambitions. In view of the delicate Iranian position and since the investigation seems to have cleared Kuniholm and Vivian in Iranian eyes I recommend that no formal protest be made.

DREYFUS

711.91/94 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 24, 1943—3 p. m.

[Received 8:50 p. m.]

423. My 363, April 7. I have on several occasions pressed Soviet Ambassador for reply to my *aide-mémoire*. I have feeling that if he did in fact forward it to Moscow he does not expect to receive a reply. Yesterday in answer to my inquiry he stated smilingly "What difference would a reply make when relations between our two Missions are so good." General Hurley⁷³ informs me Soviet Ambassador told him in a confidential talk that relations between Soviet and American Diplomatic Missions in Iran are excellent. I am in accord with this statement although I have pointed out to Department difficulty of negotiating with Soviets here. However, I have recently observed a slight improvement in this regard. For example Soviet Embassy has now agreed to grant permit to Colonel Schwarzkopf for travel to Bosht [*Resht?*] on an official inspection trip.

Repeated to Moscow.

DREYFUS

⁷³ Brig. Gen. Patrick J. Hurley; President Roosevelt had designated General Hurley as Personal Representative of the President to act as observer and to report directly to him upon general conditions in Egypt, Syria and Lebanon, Iran, Iraq, Palestine, and Saudi Arabia.

891.5018/23

*Memorandum of Conversation, by Mr. John D. Jernegan of the
Division of Near Eastern Affairs*

[Extract]

[WASHINGTON,] April 24, 1943.

Participants: Brigadier General A. C. Wedemeyer, Chief, Strategy and Political Group, Operations Division, War Department.
Brigadier General Patrick H. Tansey, Chief, Logistics Group, Operations Division, War Department
Mr. Murray
Mr. Parker ⁷⁴
Mr. Jernegan

Mr. Murray said that he would like to mention in passing certain aspects of the situation in Iran.

He referred to reports which the Department had received indicating that relations with the Soviet authorities in Azerbaijan were very unsatisfactory. Among other things, the Soviets had forced the departure of Mr. Vivian, the American Food Administrator in that region, and had for practical purposes forced us to replace our Consul at Tabriz. Members of the Russian forces had adopted a derogatory attitude towards Americans and Soviet officials had made unjustifiable complaints against the conduct and work of American soldiers stationed in Azerbaijan.

The Soviet Government some time ago had forced the Iranian Government to sign an agreement to supply the Russians with 20,000 tons of grain for Azerbaijan. After pressing insistently for the delivery of this quantity, which had been found to be impossible, the Russians had suddenly announced that they would send 25,000 tons of wheat from Russia to feed the civilian population of Tehran. In view of their past activities in attempting to withdraw grain from Iran, this sudden move would appear to be an obvious political maneuver intended to strengthen the Soviet hold over the Iranian Government. It was particularly striking because the United States was making large shipments of flour to Russia under lend-lease.

Mr. Murray went on to say that he thought General Wedemeyer would be interested in the general policy of the Department towards Iran as it was expressed in a memorandum prepared in the Division of Near Eastern Affairs. A copy of this memorandum, "American Policy in Iran", dated January 23, 1943,⁷⁵ was left with General Wede-

⁷⁴ William L. Parker of the Division of Near Eastern Affairs.

⁷⁵ *Ante*, p. 331.

meyer and he was informed that officers of the Department would be glad to discuss its contents with him at any time.

As evidence of the need for an active American policy in Iran, Mr. Murray spoke of the long-standing Iranian dislike of the British, which was a historical fact that could not be ignored, and the contrasting Iranian friendship for the United States. Mr. Murray said that we had had certain indications recently that the American Military Commander in Iran, General Connolly, did not fully appreciate the importance of maintaining the Iranian economy, particularly the food supply, in connection with the carrying out of his own operations for the movement of supplies to the Soviet Union. It seemed that General Connolly might not be cooperating fully with the various American civilian authorities and advisers in Iran. However, the Department did not yet have full information and it was desired merely to indicate that the question of such cooperation might be raised at a later date.

711.91/94: Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, April 29, 1943—10 p. m.

205. Your 423, April 24. Since *démarche* suggested by Department's 153, March 31 was intended only to lay general foundations for closer American-Russian cooperation, Department does not consider it essential that a specific reply be obtained.⁷⁶

HULL

*General Patrick J. Hurley, Personal Representative of President Roosevelt, to the President*⁷⁷

CAIRO, May 13, 1943.

Unnumbered. Before going to Iran and since my return I have conferred at length with the Rt. Hon. Richard G. Casey British Minister of State for the Middle East on conditions in Iran. In Iran I conferred with our Minister, Mr. Dreyfus, and members of his staff, with the Commander of the United States Military Forces, Major General Donald H. Connolly and members of his staff, with

⁷⁶ A reply was made on May 11 (*post*, p. 448) by the Soviet Embassy in Washington to the *aide-mémoire* presented on April 3 by the Minister in Iran to the Soviet Ambassador. For the reply on June 15 to the Soviet note of May 11, see p. 466.

⁷⁷ Copy of telegram obtained from the Franklin D. Roosevelt Library, Hyde Park, N. Y.

the British Minister Sir R. Bullard and members of his staff. I then conferred with the American advisers Dr. A. C. Millspaugh (economics), Mr. Joseph P. Sheridan (food), Colonel Norman Schwartzkopf (national police), Mr. Timmerman (Municipal police), Major General Clarence S. Ridley (Iranian Army), with Mr. D. Stansby and other officials of the United Kingdom Commercial Corporation and with Mr. Erik Eriksen of the United States Commercial Corporation. After these meetings I conferred with the Shah Mohammad Reza, the Prime Minister, Ali Soheily, the Minister for Foreign Affairs, Saed Mareghei, and other Iranians. The situation in Iran is serious. The conditions and the methods employed by the British and the Russians in the military occupation of Iran have rendered the Iranian Government impotent. The aspirations of the British and the Russians in Iran are in conflict. The Iranians distrust the motives of both the British and the Russians and believe that the future existence of Iran as an independent nation is threatened. American prestige in Iran is being injured by the fact that Americans are in positions of responsibility without adequate authority. In conversations which I had with the Shah, the Prime Minister, and the Minister for Foreign Affairs, matters both far reaching and specific were discussed. Chief among the subjects were (1) food, (2) transportation, (3) inflation, (4) possibility of an Iranian declaration of war against the Axis as a member of the United Nations and (5) future relationships between Iran, Britain, Russia and the United States. The Russians have occupied the northern portion of Iran constituting roughly one third of the country's area and a majority of its population. This portion of Iran is richest in production of food and in all natural resources except developed oil resources. The British occupy the less populous but larger geographical area of the south. The portion occupied by the British extends to the Persian Gulf and contains all of the developed oil areas of the country. For the most part the attitude of the Iranian officials and indeed of all the Iranian people who are in a position to appraise conditions, is one of intense bitterness toward Great Britain. This bitterness toward Britain is so emotional that it has almost completely wiped out the memory of four hundred years of uninterrupted Britain-Persian friendship. Toward Russia there is less bitterness but in my opinion there is a deep fear of the eventual objectives of Russia. However Russian administration of their zone of occupation is more acceptable to the Iranians than that of the British. The Iranians translate their bitterness toward the British and to a lesser extent toward the Russians in a series of specific charges against the policies of these two powers in Iran. Even under the most considerate planning by the occupation forces Iranian

capacity to feed her own people would be severely strained by the presence of British, Russian and American troops and their minimum requirements of local foods. Iranian spokesman complain however that neither the British nor the Russians have displayed any considerate planning. The Iranians charge that in the south the British bought up great quantities of foodstuffs not only for their own consumption but for export. They charge that in the more abundant north the Russians have followed to some extent a like policy. The Iranians charge that the British forced inflation upon the country by insisting upon repeated Government issuances of currency to be used to pay British forces of occupation and American supervised labor on the railroad track lines and road building projects. High wages paid by the British and Americans have contributed to the inflationary trend. Contributing to the inflation also it must be added is the weakness of the Iranian Government itself and the consequent lack of confidence in the national currency.⁷⁸ By reason of its disorganized conditions the Government was unable to stabilize prices or to prevent speculation and hoarding. The combination of inflated food prices and actual food scarcity has led to deaths by starvation. The Iranians charge that even when starvation became widespread in the south the British delayed taking steps to import grain. The Iranians and the British charge also that the Russians refused to permit shipments of foodstuffs to that portion of the country where there was a shortage. This food crisis was intensified the Iranians allege by the fact that the British deprived the country of effective use of its own transport system through commandeering or hiring at high prices great numbers of Iranian motor trucks and by taking over full control of the Iranian State Railroad. Additional Iranian trucks were pressed into Russian service in the north. Most of this transportation was of course used for the purpose of transporting American Lend Lease materials to Russia. But the fact remains that lack of use of its own transportation facilities did prevent Iran from transporting food and thereby was an additional cause of food shortage. Iranian spokesmen accuse the British of deliberately bringing about food shortages and consequent bread riots in Tehran to provide an excuse for the British military occupation of the city. The British occupation of Tehran the Russians and Iranians allege was in violation of the tripartite agreement between Iran, Russia, and Great Britain. The Iranians make further grave accusation that the British attempted at the time of the food crisis to force concessions from the Iranian Government in return for wheat. They allege that the British Minister

⁷⁸ For correspondence regarding interest of the United States in Iranian finances, see pp. 561 ff.

submitted various conditions to the Iranian Government which he specifically stated must be accepted before the British Government would make any concession in regard to food, bearing on this accusation a message from the American Minister at Tehran to the Secretary of State Washington D. C. dated February 24, 1943 and copy of the dispatch addressed to the Foreign Office in London repeated to Kuibyshev and Washington dated November 6, 1942⁷⁹ and signed Bullard. The end of the food crisis seems to be in sight. Russia has agreed to furnish the Iranians 25,000 tons of wheat. The Americans and British have agreed to furnish a total of 32,500 tons of wheat and barley part of which has been delivered. There are prospects for a good crop if the American advisers Dr. Millspaugh (economics) and Mr. Sheridan (food) are able to procure the funds for the purchase of the wheat crop and the transportation to get it to the centers of population, the most immediate cause of Iranian unrest would be removed. At another time of crisis the Iranians charge that typhus serum was ordered from the United States and that it was shipped but was impounded by the British at Cairo. The Iranians assert that if this serum had been delivered it would have prevented many deaths from typhus. Wherever the fault lies the fact is that the serum was not delivered and many Iranians died during the subsequent epidemic. The Iranians charge that the United Kingdom Commercial Corporation, a British Government institution, which entered Iran for the purpose of preclusive purchasing of war materials has forced itself into a position of a complete monopoly of all Iranian foreign trade. The Iranian officials complain bitterly that after having stripped the Iranian Government of nearly all of its actual powers and having rendered that Government helpless in this period of crisis, the British now openly blame the Iranian Government for not taking strong action to procure proper transportation facilities to prevent inflation, to fix prices, and to prevent starvation of the population. There are other counts in the indictment but I think I have given you enough to create the impression that the British are not popular in Iran. The Iranians openly charge and believe that Britain has been guilty in Iran of conduct akin to that of the Nazis in Europe. If the Iranians had to decide today between the British and the Russians they would in my opinion unquestionably choose the Russians. American troops in Iran are in a peculiar position. In conversation with Russian Army officers and Iranian officials they have at times referred to the United States as an instrumentality of Great Britain. I have learned that this assertion is based on the allegation that American troops

⁷⁹ See telegram No. 361, November 6, 1942, from the Minister in Iran, *Foreign Relations*, 1942, vol. iv, p. 179.

entered Iran on the invitation and under the direction of the British alone. It is alleged that neither the Iranians nor the Russians were consulted in advance of the arrival of American troops. The Russians still assert that they have not been officially apprised throughout the intervening months of the presence or the purposes of American troops in Iran.⁸⁰ This argument on the part of the Russians seems weak in face of the fact that American troops entered Iran for the sole purpose of operating the state railway and military supply lines to transport American lend lease materials to Russia. The American troops in Iran are not combat troops. They are service troops. It does appear to be true however that the Iranian Government was not notified of the coming of American troops or the purpose that the troops were to serve. American advisers to the Iranian Government are charged with the responsibility of guaranteeing civilian food supplies, providing transportation, fixing prices, supervising national and municipal police forces, supervising the reorganization of the Iranian Army, preventing inflation, stabilizing the currency, providing funds for the ordinary needs of Government, and in general restoring security and order to Iran. Up to the time I left Iran no adequate authority had been given to any of the American advisers to enable them to accomplish the tasks assigned. This left the American advisers among whom there are men of the highest character and ability in positions of responsibility without authority. More and more the American advisers are being criticized for not having brought order out of chaos when in fact they have been supplied with neither the means nor the authority that would enable them to achieve the purposes of their mission. The buck is usually passed from the British and Russians to the Iranians and by all three to the American advisers. The State Department is endeavoring to correct these situations by (1) procuring an agreement with the Iranian Government recognizing the presence of American troops (2) procuring from Russian officials recognition of the presence of the units of the United States Army in their true status and (3) procuring from the Iranian Government adequate and proper authority for the American advisers. The ambitions of Russia and Great Britain are in conflict in Iran. In my opinion Britain and Russia aspire to control Iran after the war, not jointly but separately. Britain's control would be for the purpose of keeping the monopoly of the oil resources which her nationals now own and of establishing a trade monopoly. Russia's control would serve to secure her long desired access to a warm water port. At the peace table I believe Russia will insist on either a corridor to the Persian Gulf or to the Indian Ocean or as an alternative freedom of the straits

⁸⁰ For correspondence regarding this subject, see pp. 453 ff.

from the Black Sea to the Aegean Sea. In the light of these conflicting ambitions it appears rather certain that if Germany were totally defeated today and Japan were still in the field there would be open conflict in the Middle East between the forces of the United Nations. As if to aggravate the relations between Russia and Britain in Iran there is a rumor being encouraged in Iran to the effect that the British in Washington are endeavoring to prevent further Lend Lease assistance from the United States to Russia. It is alleged that the British contend that American supplies are giving Russia such strength as to make Russia a menace to the peace of the world after the capitulation of Germany. Owing to the gravity of the situation and to the complexity of international relationships I think it essential that you understand that in Iran both diplomatic officials and military officers of the United States appear to be giving the weight of their influences to Russia as opposed to Britain. As evidence that this is true I refer to (1) the diplomatic correspondence between the United States Legation in Tehran and the State Department and (2) the fact that the United States Military Commander in Tehran has recently dispensed with G-2 services on the ground that the United States Army intelligence operations in that area while favored by the British were objectionable to Russia. The foregoing statement should not be considered as a charge or as an implication against the character, the ability or the patriotism of the American officials in Iran but as an indication that the situation there demands an immediate clarification of the policies of the United States. Russia and the United States are traditionally friends and at the peace table they must have and must be entitled to the confidence of each other. The achievement of the purposes of the Atlantic Charter and the peace and prosperity of the world depend in great measure on the unity of the English speaking people. If our present policy is continued in Iran it must ultimately alienate from the United States either the British or the Russians. What is taking place at the present time in Iran promotes and, unless corrected, ensures disunity among the three greatest forces of the United Nations. During the past one-fourth of a century the Middle East has been recognized as a British Sphere of Influence. Britain was the dominant power in that area notwithstanding the operations of the French in the Lebanon and Syria and certain definite penetrations in the entire area by the Germans. Great Britain no longer possesses within herself the essentials of power needed to maintain her traditional role as the dominant influence in the Middle East area. The position of Britain in the Middle East was waning even before the outbreak of the present war. The antipathy for Great Britain in the Middle East has caused a growth first of pro-Nazi and now of pro-Soviet

sentiment. Unless it is the carefully considered intention of the United States to play a strong independent role in the Middle East a policy which has not thus far been indicated our course should be toward a reconciliation and integration of the British-American influences in Iran. Such joint action by Britain and the United States should be directed toward developing strong enlightened native governments not only in Iran but in other nations of the Middle East with Russia sharing in a United Nations trusteeship for these local governments. At present American Army and civilian personnel in Iran are being frustrated by lack of positive directions from our Government as to whether they should support conquest and imperialism or the Atlantic Charter and the Four Freedoms⁸¹ or as to what should be their attitude in the conflict between Russia and Britain. American prestige is decreasing without any parallel benefit to British prestige. There is a growing feeling among the British officials in the field that the United States has ambitions to become a colonial power. There is extensive Axis propoganda to the effect that the Americans intend to take over the British Empire. In my opinion the United States Government is so constituted that it could not become a colonial administrator without denying the fundamental principle of its own existence. In addition to that I am certain that the United States has no desire to become an imperialistic or colonial power. If you should move into the situation in the Middle East, however, with the precision and the force that conditions demand and you may be accused at home of committing the United States to imperialism, exploitation, violation of the fundamental principles of our own Government, and opposition to the principles of the Atlantic Charter. In the face of all these negatives I am convinced that strong action by you in this situation would be justified as a war emergency and a step toward unity between Russia, Britain and the United States and toward the ultimate establishment of the principles of the Atlantic Charter. The proper results in Iran cannot be achieved by your support of British leadership alone. All of this leads to the conclusion that integration of the British-American policies in Iran and maintenance of proper relations with the Russians there must have your leadership rather than British leadership. I believe you must assume at least that degree of leadership that will justify the confidence of the officials and the people of Iran in America's capacity to uphold the principles of the Atlantic Charter and to assure the continued existence of Iran as a free nation under your leadership; there must be found also a solution of the Russian-British conflict. I recommend initially (1) that Iran be assured that America insists that the principles of the Atlantic Charter do apply to Iran (2)

⁸¹ Enunciated by President Roosevelt in his State of the Union Message, January 6, 1941, *Congressional Record*, vol. 87, pt. 1, pp. 44, 46.

that Iran be permitted to join the United Nations in a declaration of war against the Axis (3) that the American and British Legations be raised immediately to the status of Embassies and (4) that American and British Ambassadors compatible to each other and able to understand and promote British-American-Russian cooperation be appointed to Iran. I have discussed in a general way my conclusions with the Rt. Hon. Richard G. Casey.

891.00/2031 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, July 20, 1943—3 p. m.

[Received July 21—11:26 a. m.]

751. British here are alarmed at Iranian security situation and appear to be considering remedial action. British Minister in approaching me rather formally on subject stressed the disastrous defeat in which the Iranian Army garrison of more than a thousand men was eliminated as a military unit by tribesmen⁸² at Samshum in Fars at end of June (see despatch 616, July 16⁸³ which reported this incident and discussed general tribal situation). He alleged that German parachutists have been dropped near Qum and have not been apprehended. He summed up by expressing opinion that there is almost total lack of security in Iran and that country verges on anarchy. Since he attributes this condition to great extent to weakness and incompetence of Soheily Government he asked my support and that of Soviet Chargé in bringing about fall of present Government and installing Ali Mansur⁸⁴ as Prime Minister. I replied that while I hold no brief for Soheily but rather incline to British view of him and while I consider Mansur to be one of most suitable candidates for Prime Minister I could hardly go so far as to assist in engineering fall of Government in view of policy of my Government not to interfere in internal Iranian political affairs. Although Soviet Chargé has promised to consult Moscow it is very unlikely that Russians would offer their cooperation because they appear to be well satisfied with Soheily and in view of their reluctance to join other Allies in any action in Iran affecting their mutual interests. Russians appear to be getting on well with Mansur at Meshed although he has been criticized by some Russians as having been willing tool of ex-Shah.

⁸² The Kashkais, a tribe of southern Iran; the most important and the most troublesome tribal unit of the Fars Area, from the point of view of the central Government at Tehran.

⁸³ Not printed.

⁸⁴ Ali Mansur, former Prime Minister of Iran (1940-41).

General Pownall's⁸⁵ current visit to Iran is closely connected with this subject. Pownall takes serious view of situation and feels that some action must be taken to bring about improvement. He told Schwarzkopf in strictest confidence that he is considering recruiting a special Iranian force to be officered by British to use as striking force against tribes and to maintain security supply lines. Force would apparently be similar to South Persia Rifles of last war. However in a conversation with General Ridley, Pownall made no mention of this idea.

British seem to be making conscious endeavor to build up picture of Iranian insecurity. Foreign Minister remarked to me yesterday with some bitterness that British are permitting or encouraging press in England to paint picture of Iran as insecure, chaotic and bordering on anarchy. I am not sure to what extent his British view of Iranian security situation is due to (1) sincere belief that situation is getting out of hand and that British as Allied Government responsible for Iranian security must take effective action or (2) desire to use situation as excuse to get rid of Soheily Government.

I shall report developments.

DREYFUS

891.00/2031 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, July 29, 1943—7 p. m.

377. Your 751, July 20. Department is inclined to feel that creation of a new force of British-officered Iranian troops, similar to South Persia Rifles, would be a mistake at this time, since it would be an invitation to the Soviets to create a similar organization, a counterpart of the old Cossack Brigade. It seems to us that development of two new military groups, under foreign domination, would only lead to confusion worse confounded and that the equipment and effort devoted to their organization could better be employed under the direction of Ridley and Schwarzkopf in building up the existing Iranian Army and *Gendarmerie*.

If these latter forces are unable to cope with the tribal situation, do you not believe that from a political point of view it would be preferable to employ British troops to maintain security, rather than create a pseudo-Iranian force which would, we imagine, be regarded with suspicion by the Iranians themselves?

We should like to have an up-to-date picture of Ali Mansur; latest biography in our files is dated 1933.

HULL

⁸⁵ Lt. Gen. Sir Henry R. Pownall, British Commander in Chief, Persia-Iraq Command.

891.00/2035

Memorandum of Conversation, by the Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] July 31, 1943.

Mr. Hayter⁸⁹ called at his request to inform the Department of certain developments in connection with the situation in Iran. He stated that General Pownall, commanding British troops in Iran, had become greatly disturbed by recent attacks upon Iranian forces by tribesmen. Mr. Hayter pointed out that, as we knew, tribesmen had recently annihilated an Iranian garrison. General Pownall proceeded to Tehran a few days ago to discuss with the British Minister recommendations which might be made to the Foreign Office regarding steps to be taken to improve the situation. The British Minister and General Pownall both agreed that it would be unwise to use British troops against the tribesmen. After lengthy discussion they submitted the following proposals to the Foreign Office: (1) 550 trucks carrying Lend-Lease supplies to Russia would be sent north convoyed by British troops; (2) it would be suggested to the Shah that, in view of the weakness of Prime Minister Soheily, it would seem desirable to replace him by appointing Ali Mansur; (3) it would be desirable to appoint Qavam-ol-Molk as Governor General of Fars. The Foreign Office replied that it had no objection to using British troops to convoy the trucks as far as Isfahan but it desired that the Russian authorities be informed; (2) the Foreign Office would be glad to see Mr. Soheily replaced by Ali Mansur if that could be done without too much difficulty; (3) the Foreign Office approved of the proposal regarding the appointment of Qavam-ol-Molk as Governor General of Fars but pointed out that the Shah might disapprove.

The Foreign Office had instructed the British Embassy in Washington to bring the foregoing to the attention of the Department of State and to point out that the Foreign Office regarded interference in the internal affairs of Iran "with reluctance and repugnance". However, the British Government had responsibilities regarding the transport of supplies to Russia and could not allow the disturbed situation in Iran to interfere in the supply program.

I said that I was sure that all of the interested officials in the Department would be glad to learn that the Foreign Office regarded interference in the internal affairs of Iran "with reluctance and repugnance", and that we certainly all hoped that a solution could be found without such interference.

Mr. Hayter said that he had one further communication to make. German parachutists had recently landed in Iraq near the borders of

⁸⁹ W. G. Hayter, First Secretary of the British Embassy.

Iran and the British authorities had some reason to believe that German agents were operating in Iran with the connivance of Iranian officials or nationals. It was possible therefore that it would be necessary to arrest some of the Persian officials who were alleged to be in contact with Axis agents. I told Mr. Hayter that as he doubtless knew it had been the general feeling in the Department that it was better, when Iranian officials came under suspicion, to request their arrest by the Iranian authorities rather than having them arrested by British or Russians. Mr. Hayter indicated that he would recall this point of view to the attention of the authorities.

891.00/2035 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, August 4, 1943—9 a. m.

[Received August 5—11:24 p. m.]

801. Department's 377, July [29]. After discussing with British Minister, Ridley, Schwarzkopf and Foreign Minister⁹⁰ general question of recruitment of special Iranian force I do not believe British intend to develop this idea. Schwarzkopf's impression is that Pownall was only exploring the ground and had in mind perhaps a small force of levies for railway security to effect that British have sent troops to Southern Iran to take care of convoy security. Ridley told me in strictest confidence that the tribal situation will be met by calling upon additional 10,000 conscripts to create a special striking force. He stated that this force cannot for various reasons including lack of money and equipment be brought into being before winter or spring.

An important and potentially dangerous development in Kashkai situation is the appointment of Qavam-ol-Molk as Governor General of Fars. Qavam family has been for centuries leading family of Fars and the Hamseh tribes they control are traditional and bitter enemies of Kashkais. It is widely believed since Qavam has long been known as British tool that British engineered the appointment for purpose of endeavoring to break Kashkai power in Fars by encouraging the Qavam tribes. It is reported that Qavam will distribute arms among his tribes for use in fighting Kashkais. Millspaugh informs me confidentially that he has been requested by Government to approve a large grant of money to Qavam but that he has not yet consented. There is strong opposition in press and Majlis to Qavam appointment on grounds that tribal situation can only be aggravated by arming one tribe to fight another.

DREYFUS

⁹⁰ Mohammad Saed.

891.00/2040a : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, August 7, 1943—8 p. m.

398. British Embassy informs us Foreign Office is concerned at activities of certain Iranians believed to be in contact with Axis agents in Iran. Foreign Office has asked Moscow to instruct Soviet Chargé d'Affaires at Tehran to join with British Minister in drawing up list of alleged offenders and in presenting this list to Iranian Foreign Ministry with request that persons in question be arrested.

Embassy says British Government would welcome our support in this, at least to the extent of informing Iranians, if they should approach you, that we concur in desirability of proposed arrests.

Please let us have your views.

For your information, Embassy tells us that Foreign Office concurred in suggestion of General Pownall and British Minister Tehran that it would be desirable to appoint Qavam-ol-Molk as Governor General of Fars. It is assumed, therefore, that his appointment as reported in your 801, August 4, was made at British request.

HULL

891.00/2036 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, August 8, 1943—noon.

[Received August 8—1:50 a. m.]

818. Department's 76, February 11. I am reliably informed that the return to Iran of Seyid Zia-ed-Din Tabatabai is imminent. British Minister confirms this fact but denies any British complicity therein. To prove this point, he states that he has refused to assist Tabatabai to obtain seat in plane from Palestine. Notwithstanding this denial I have every reason to believe British have at least encouraged him; for example, British Minister admitted to me that there has been correspondence between him and British Oriental Secretary Trott.⁹¹ Since both Shah and Russian Ambassador have told me they are very much opposed to Tabatabai, our wisest course for the moment may be to permit them to offer any resistance they desire and ourselves await developments.

With reference to my 761, July 23,⁹² British continue their political activity. British Minister informed me yesterday that he is now preparing a letter to Prime Minister demanding that Deputy Nobakht have his immunity waived by Majlis and be arrested by Government.

⁹¹ A. C. Trott; the Oriental Secretary at the British Legation in Tehran also held the rank of First Secretary of Legation.

⁹² Not printed.

Nobakht is accused by British of working in German interests, a charge based mainly on the Mayer document (see despatch 495, March 25⁹³). In justification of this British demand, I must say that Nobakht has been not only generally obstructive, but has taken a consistent anti-Allied line. As far as I am aware, he is the only deputy who has made public statements against United States (see despatch 192, January 30, 1942⁹⁴).

Political situation continues to drift hopelessly with virtual breakdown in government and daily threats of riots and strikes of woefully under-paid government employees. Soheily seems to feel that tenure of office is an end in itself and hangs on for dear life despite weak position of his Government and British desire to oust him. Millspaugh's recent regulation creating Government monopoly in grains has further embarrassed Government by subjecting it to violent attacks by speculators and war profiteers who prefer huge profits to common welfare. Millspaugh in matters of grain monopoly, income tax law, and government salaries has reached critical and climactic point in his struggle with selfish and corrupt elements. Under attack now from all quarters, including Majlis Cabinet, press and merchants, he sticks to his guns with equanimity, secure in knowledge that he is working for welfare of people. His test of strength is close at hand and outcome is in the balance.⁹⁵

DREYFUS

891.00/2049½ : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

[Extract]

TEHRAN, August 12, 1943—2 p. m.

[Received August 13—3:51 p. m.]

831. Department's 398, August 7.

1. Arrests. British Minister informs me he will shortly request Iranian Government to arrest some 30 Iranians alleged to have engaged in pro-German activities. He has delivered to Iranian Government the note requesting arrest of Deputy Nobakht and is awaiting

⁹³ Not printed. The "Franz Mayer documents" were allegedly a collection of documents which the British were supposed to have seized from the effects of a reputed German spy at Isfahan in Iran in November 1942, and which were widely used by the British authorities as evidence of a widespread and highly organized plot. Attachés of the Legation in Iran held doubts as to the authenticity of some of the documents. The main core of fact seemed to rest in a situation whereby certain German nationals had remained in Iran after the Anglo-Russian occupation of 1941, to act as Axis agents. "Such Nazi personages as are mentioned in the documents have existed—hence they may still exist" (891.00/2008).

⁹⁴ Not printed.

⁹⁵ For further correspondence on the Millspaugh Mission, see pp. 510 ff.

developments (see my 818, August 7 [8]. Copy of note being sent Department airmail).

After mature thought and based to large extent on considerations given in concluding section of this telegram I have come to conclusion that we should not oppose the arrests but should suggest to Iranians if they approach us the overriding military necessity of restraining persons who have obstructed or are potentially harmful to war effort. However, British should be required to support each request by obviously authentic documents of highly convincing nature. Since Mayer documents will form main basis for arrests it is suggested Department have these documents carefully examined by experts.

DREYFUS

800.20291/7: Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, August 16, 1943—3 p. m.
[Received August 17—10:52 a. m.]

846. My 831, August 12. British Minister informs me British Security have arrested Franz Mayer. (Mayer is leading German agent in Iran. See page 18 of enclosure to despatch 144, November 1, 1941 and despatch 495, March 25⁹⁶). He was taken with documents and diary and is now being interrogated.

Kosrow Khan Kashkai,¹ brother of Naser Khan, has arrived in Tehran with General Jehanbani² by air for discussions on Kashkai problem. Kosrow states that German parachutists were actually dropped in southern Iran. Four of them, he declares, arrived at his camp where they conferred with the German agent Schultz, after which they left the Kashkai country proceeding in direction of Trans-Iranian Railway armed with money and dynamite.

In view of above developments British Minister insists that danger is so great he can wait no longer and must require Iranians to proceed forthwith in making arrests. British contemplate arresting, in addition to army officers and others, part at least of list of some 70 suspected Iranian employees of railways. General Connolly has given consent to arrest of railway employees.

Soviet Chargé is reluctant to support arrests or express opinion until he has had time to translate and study Mayer documents and other evidence. He has promised to give me his frank opinion when this has been done. In conversation yesterday he told me confi-

⁹⁶ Neither printed.

¹ Second-ranking leader of the Kashkais, after his brother, Naser Khan.

² Iranian general officer commanding in the Fars area.

dentially that he did not see how he could recommend to his Government supporting arrest of so many Iranians on grounds of being suspected of having engaged in pro-German activities unless evidence of guilt is fully convincing.

Above developments strengthen British case in insisting on arrests. I feel reinforced in recommending that we adopt line of action suggested in my 831.

DREYFUS

891.00/2042a

The Secretary of State to President Roosevelt

WASHINGTON, August 16, 1943.

MY DEAR MR. PRESIDENT: I enclose herewith, for your consideration, a summary statement of policy which has, in general, served as the basis of the Department's attitude towards Iran during the past eight or nine months. I believe that you will agree with the fundamental principles expressed therein.

During recent months, it has become apparent that the political and economic situation in Iran is critical and may dissolve into chaos at any moment. I feel, therefore, that the Department's policy should be implemented more actively than heretofore, but before taking further steps along this line, I should like to have assurance that you are in accord.

It is clear that this policy can be implemented effectively only if it is followed by all interested agencies of this Government. In particular, it is important to have the support of the War Department authorities in Washington and of the American military commander in Iran. At the present time, the instructions of the commander in Iran are understood to confine him strictly to the transportation of supplies to the Soviet Union. In consequence, he does not feel free to cooperate, even informally, with the efforts of American civilian representatives and agencies to solve the numerous, pressing, internal problems of Iran.

Accordingly, if you approve the course of action proposed in the enclosed memorandum, I should like to suggest that it be presented to the Joint Chiefs of Staff for their consideration. If they perceive no insuperable military objection, I believe it would be well to have instructions issued to the commander in Iran to lend such assistance as may be practicable to the carrying out of the policy in question. I hope, also, that following such consideration by the Joint Chiefs of Staff the War Department will feel free to lend its assistance in other ways, perhaps, if need arises, through the provision of certain personnel and supplies to assist the American advisers now in Iran.

Faithfully yours,

CORDELL HULL

[Enclosure]

AMERICAN POLICY IN IRAN

The historic ambitions of Great Britain and Russia in Iran have made that country a diplomatic battleground for more than a century. The geographical, political and economic bases of those ambitions remain unchanged, and the present attitudes of the British and Soviet Governments and their representatives in Iran give strong reason to fear that their rivalry will break out again as soon as the military situation permits. This danger is greatly increased by the existing economic and political weakness of the Iranian Government and the presence on Iranian soil of British and Soviet armed forces.

If events are allowed to run their course unchecked, it seems likely that either Russia or Great Britain, or both, will be led to take action which will seriously abridge, if not destroy, effective Iranian independence. That such action would be contrary to the principles of the Atlantic Charter is obvious. Its effect upon other peoples of the Near East, and elsewhere, might well be disastrous to our hopes for an equitable and lasting post-war settlement.

The best hope of avoiding such action lies in strengthening Iran to a point at which she will be able to stand on her own feet, without foreign control or "protection", and in calling upon our associates, when necessary, to respect their general commitments under the Atlantic Charter and their specific commitments to Iran under the Treaty of Alliance of 1942, the provisions of which were noted by the President in a communication to the Shah of Iran.

The United States is the only nation in a position to render effective aid to Iran, specifically through providing American advisers and technicians and financial and other material support. We are also the only nation in a position to exercise a restraining influence upon the two great powers directly concerned.

Since this country has a vital interest in the fulfillment of the principles of the Atlantic Charter and the establishment of foundations for a lasting peace throughout the world, it is to the advantage of the United States to exert itself to see that Iran's integrity and independence are maintained and that she becomes prosperous and stable. Likewise, from a more directly selfish point of view, it is to our interest that no great power be established on the Persian Gulf opposite the important American petroleum development in Saudi Arabia.

Therefore, the United States should adopt a policy of positive action in Iran, with a view to facilitating not only the war operations of the United Nations in that country but also a sound post-war development. We should take the lead, wherever possible, in remedying internal difficulties, working as much as possible through American

administrators freely employed by the Iranian Government. We should further endeavor to lend timely diplomatic support to Iran, to prevent the development of a situation in which an open threat to Iranian integrity might be presented. In carrying out this policy, we should enlist the support of all branches of the American Government.

The success of the proposed course of action is favored by the exceptionally high regard in which this country is held by the Iranian people. There is also reason to believe that the British Government would acquiesce, or even lend its active support. The attitude of the Soviet Government is doubtful, but this Government should be in a position to exert considerable influence if occasion should arise. It goes without saying that the safeguarding of legitimate British and Soviet economic interests in Iran should be a basic principle of American action.

800.20291/7: Telegram

The Acting Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, August 20, 1943—9 p. m.

425. Your 846 August 16, 3 p. m., and 831, August 12. Department agrees with your view that you should not oppose the arrests and that if you are approached by the Iranians you should explain the overriding military necessity for them.

We have studied the Mayer documents and see no good reason to doubt their authenticity although they do not appear conclusive as to the guilt of many persons named therein. However, since the British are responsible for security in southern Iran, the Department does not feel that it can object to security measures they may see fit to take unless it seems clear that the action is unnecessary.

WELLES

862.20291/22

The Minister in Iran (Dreyfus) to the Secretary of State

No. 646

TEHRAN, August 20, 1943.

[Received September 1.]

SIR: I have the honor to enclose single copies of three strictly confidential documents^a prepared by British security officials in Tehran giving details regarding the organization of the German fifth column in Iran. It is regretted that the pressure of work does not permit the typing of these documents, which the British were able to furnish the Legation only in single copy.

^a None printed.

These documents should be read in connection with the Franz Mayer documents, enclosed with despatch No. 495, March 25, 1943,⁴ since both will form the main basic evidence in support of the arrests which the British are now pressing the Iranian Government to make. A fourth document containing case histories of 137 Iranians alleged to belong to the German fifth column organization in Iran was furnished the Legation in single copy by the British. This document is being retained because it will be very useful to the Legation in following the matter of the arrests. This general subject was discussed in a series of recent telegrams, the latest of which was No. 846, August 16.

The three enclosed documents, in my opinion, throw little light on the organization and functioning of the German fifth column in Iran. While they undoubtedly contain a great deal of fact, they are not particularly convincing evidence of the existence of a really effective fifth column organization in Iran. One gains the impression from these and the Mayer documents that the Iranians in question were at worst playing at espionage rather than working seriously in German interests. The fourth document containing case histories is full of vague accusations and expressions such as "is believed to have engaged" and "is suspected of". It would seem to me, as I suggested in the despatch enclosing the Mayer documents, that the entire picture, while containing always a germ of fact and truth, has been built up and exaggerated. I do not mean by this remark to criticize the British, who, charged with responsibility for allied security in Iran, can hardly close their eyes to even such vague evidence. However, I should prefer to see better evidence of guilt produced in each individual case than was presented in the last lot of arrests which were made. The British case, as I suggested in telegram no. 846, has been strengthened by the arrest of Franz Mayer and it is possible that through him more convincing evidence of guilt will be obtained in many cases. The British, too, have fairly well established the fact that German parachutists were actually landed in Iran; and the British Minister informs me that two of them have been captured and are in British custody. Khosrow Khan Kashkai on his recent visit to Tehran, which I am covering by separate despatch,⁵ admits freely that he and his brother, Naser, have given refuge to a number of Germans, a few of whom are alleged to have been dropped by parachute. In view of these developments I do not see how we can oppose the series of arrests which are about to be made but we shall rather have to stress to the Iranians the military necessity of restraining any persons potentially harmful to the war effort. We should

⁴ Not printed, but see footnote 93, p. 375.

⁵ Despatch No. 647, August 21, not printed.

not, however, fail to watch the proceedings closely to make sure that the evidence of guilt in each case is authentic and convincing and that the arrests are not made a political instrument.

The British Legation is sending a note to the Iranian Prime Minister insisting that the arrest of some 137 Iranians be carried out at once because of the very real danger of the Iranian fifth column to the allied war effort. With regard to the arrest of deputy Nobakht, a matter discussed in telegram No. 818, August 7 [8], the Prime Minister has given the British Minister a half-hearted promise to ask the Majlis to waive Nobakht's parliamentary immunity and then proceed with his arrest. The Prime Minister wishes to go slowly and take this action only after he has had a chance to answer Nobakht's interpellation in the Majlis on the tribal question and obtain from the Majlis a vote of confidence on this score. The British Minister is not in a mood to submit to delays and will probably press the Prime Minister for immediate action. I will report the facts and their impact on Iranian-Allied relations promptly to the Department by telegraph and despatch.

Respectfully yours,

LOUIS G. DREYFUS, JR.

891.00/2055

Memorandum by the Adviser on Political Relations (Dunn) to the Adviser on Political Relations (Murray)

Sir Ronald Campbell⁶ left with me on the 28th of August this note on Persia. Mr. Eden spoke to the Secretary at Quebec⁷ and the Secretary said he would be glad to have a memo on the subject.

J[AMES] C. D[UNN]

[WASHINGTON,] August 30, 1943.

[Annex]

SITUATION IN PERSIA

Our views on Persia are as follows:—

The most pressing problem is security. Tribes near Shiraz have been largely out of hand since their recent success against a Persian army detachment and although the Shiraz Road is no longer used for aid to Russia disorders may spread. The Germans, who are planning a sabotage campaign in all Middle Eastern countries, are naturally exploiting the situation and have dropped parachutists with

⁶ British Minister in the United States, at this time Chargé.

⁷ Conference between President Roosevelt and British Prime Minister Churchill, with their advisers, at Quebec, Canada, August 17-24, 1943; documentation on this Conference is scheduled for publication in a subsequent volume of *Foreign Relations*.

the immediate object of increasing disorder and diverting our troops, and with the probable ultimate object of damaging the oil installations and the railway. Both H.M. Minister in Tehran and we wished to see British troops stationed at Shiraz as the best means of keeping the situation under control, but with the forces at his disposal the Commander-in-Chief cannot agree to this. We must therefore concentrate on (a) efforts to improve local Persian administration and (b) drastic measures against Persian pro-Axis plotters.

As regards (a) H.M. Minister has with difficulty induced the Persian Government to appoint as Governor-General of Shiraz a reliable Persian of local tribal origin. His appointment will encourage those tribes which have not yet joined the rebels to remain loyal. As to (b) we are naturally anxious to act jointly with the Russians if possible and we have done all we can to get them into line. But time presses and we cannot wait indefinitely for the Soviet representative to receive instructions from Moscow. H.M. Minister was recently authorized to present to the Persian Government our demands for the arrests of Persian suspects if necessary without waiting for Russian support and in the last resort to have the arrests effected by British security authorities. Since then one particularly dangerous German who has organised a widespread plot with the assistance of prominent Persians and two newly-arrived German parachutists have been captured by our security authorities, and a mass of new evidence against Persian suspects has come into our hands.

It is now a fortnight since H.M. Minister gave the Persian Prime Minister our evidence against the most dangerous of Persian Axis sympathisers but the Persian Government have still taken no action. It is therefore likely that H.M. Minister may soon have to have recourse to direct arrests by British forces.

Meanwhile the political situation is unsatisfactory and continues to deteriorate. Soheily, the Persian Prime Minister, is ineffective. The Persian Government command no confidence and have little authority in the country as a whole. The financial situation is also bad and likely to get worse. In spite of a large harvest administrative inefficiency may again result in shortages.

We should certainly welcome closer co-operation with the United States Government in Persian affairs. The most important thing at present is to have United States support for our action on security questions. We have not asked the United States Government to act jointly with us, as security is not their responsibility, though we have kept them generally informed of our intentions except as regards possible direct arrests by ourselves. But we are entitled to hope that the United States Government will present a common front with us to the Persians and in case of need make it clear to all concerned that they

are at one with us as regards the vital importance of checking the activities of hostile Persians which would assist the German threat to supply routes. If the United States Government for their part, in the light of the experience gained by the American adviser, have any suggestions for improving Persian administration we shall of course gladly do our best to help.

It has been suggested that the situation might be eased if reasonable quantities of consumer goods could be imported into Iran. Probably two shiploads would suffice, and this would cause only a small retardation of the increase of supplies to Russia. It is hoped that the United States Government will give this question their benevolent consideration.

QUEBEC, 25 August, 1943.

800.20291/8 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

[Extract]

TEHRAN, August 31, 1943—8 a. m.

[Received September 1—3 : 32 p. m.]

902. My 846, August 16. Arrests began yesterday and are continuing. Those detained are being taken to Sultanabad for interrogation by British, in the presence of Iranian judges. Soviet Chargé received instructions from his Government to support arrests, after making certain deletions from and additions to list of persons to be arrested.

When Prime Minister was informed by British Minister of British demand for the arrests, he asked pointedly, "What will my position now be?" To this British Minister states he replied, "We will continue to support you as long as you work for the Allies". I doubt that Minister was fully sincere in this statement since he has a very low opinion of Soheily and has long wished to replace him with Taquizadeh, Seyid Zia-ed-Din, or some other stronger person.

DREYFUS

891.20/239 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, September 1, 1943—4 p. m.

[Received September 2—1 : 39 p. m.]

908. My 902, August 31. More than 100 persons have already been arrested. Among most important are Generals Koupal, Aghevli,

Pourzand; ex-Prime Minister Matin Daftary; Supreme Court Judge Ali Heyat; ex-Cabinet Minister Mohammad Sadjady. Kashani one of Iran's most prominent Mollas⁸ escaped as he was about to be arrested; Deputy Nowbakht disappeared some days ago and has not been apprehended.

Public opinion while naturally critical of Government and Allies has not yet sufficiently recovered from bewilderment caused by arrests to become crystalized. Prime and Foreign Ministers appear to take balanced view. Both told me yesterday that since Iran is allied to British and Russians, arrests must be supported if they are based on sufficient evidence. Press this morning was critical but was probably deterred from taking stronger line against Government and Allies by fact that several more radical newspapers have been suppressed in last 2 days and at least one editor arrested. Majlis has not yet had opportunity to express opinion.

Unfortunately public appear to believe that Americans are at least partially responsible for arrests. This morning Foreign Minister said he was investigating rumor that Americans have not only arrested railway employees but had manacled them and put derogatory signs on their backs, and if he found it true would make strong protest to Legation. I myself investigated matter, am convinced it is untrue and have so informed Foreign Minister.

DREYFUS

891.00/2053a : Airgram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, September 22, 1943—5 p. m.

A-1271. The following memorandum for the Secretary, dated at Quebec, August 25, 1943, was handed to us at the Quebec Conference by Sir Ronald Campbell:

[Here follows verbatim text of the memorandum entitled "Situation in Persia," printed on page 381.]

Please send the Foreign Office a memorandum in reply reading in substance as follows:

The Department is, of course, fully aware of the importance of the security problem in Iran. On August 20 the American Minister at Tehran was instructed to support British action leading to the arrest of persons believed to be engaged in pro-Axis activities by explaining to the Iranians, if approached by them on the subject, the overriding military necessity of restraining persons who have obstructed or are potentially harmful to the war effort. This course of action had been suggested by Mr. Dreyfus.

⁸ Islamic religious.

It is to be hoped that the recent Iranian declaration of war⁹ will strengthen, at least to some extent, the hand of the Iranian Government in dealing with security matters.

The Department has also discussed security questions with the War Department, which, we understand, is engaged in conversations with the British military authorities on the subject.

We shall be glad to bear in mind the Foreign Office's assurance that it will do its best to help if we have any suggestions for improving the Persian administration in the light of experience gained by the American adviser.

The Department has under active consideration the Foreign Office's suggestion that the situation might be eased if reasonable quantities of consumer goods could be imported into Iran. For a variety of reasons, it would be very difficult to provide shipping space for consumer goods for Iran at the expense of military supplies for Russia. In any case, this problem appears to lie primarily within the sphere of the Middle East Supply Center, and we have telegraphed to Cairo for an expression of their views.¹⁰

HULL

891.20/249

*The Minister in Iran (Dreyfus) to the Secretary of State*¹¹

No. 684

TEHRAN, September 28, 1943.

[Received October 14.]

SIR: I have the honor to transmit herewith a memorandum of a conversation between one of the officers of this Legation and Major General Donald H. Connolly, head of the United States Army Persian Gulf Service Command. It is thought that this outline of General Connolly's attitude toward his own task, the policies of the Department, and the general situation in Iran, may be of interest as background material. The Department may wish to discuss it informally with appropriate officers of the War Department, but I should prefer that it not be transmitted to that Department for general distribution.

It will be noted that General Connolly expressed a desire to be kept informed regarding American political policy toward Iran and that he indicated a possible willingness to cooperate in furthering that policy. I believe that this attitude should be encouraged, and I propose to do so by every means available to the Legation, but I believe there are two factors which should be kept in mind in analyzing his statements in this connection:

(1) General Connolly does not appear to feel that the Department's policy is sound or practicable;

⁹ See pp. 436-437.

¹⁰ For correspondence relating to the problem of supplying imports of essential requirements for Iran, see pp. 600 ff.

¹¹ Copy forwarded about October 28 to Col. Douglas V. Johnson, Middle East staff officer, War Department General Staff (Operations Division), with whom the matter had been discussed by the Chief of the Near Eastern Division.

(2) General Connolly obviously regards himself as a soldier pure and simple, acting solely in accordance with the orders of the War Department. It is my impression that he will carry this point of view to such an extreme that he will not regard any statement of policy as affecting him unless it emanates directly from the War Department. He will probably take no action to, in his own words, "give the ball a push in the right direction", unless he receives information and instructions from his own superiors in Washington.

With reference to this latter point, the Legation would be greatly interested to know what action has been taken on the statement of policy toward Iran¹² which I understand the Department sent to the President some weeks ago, with the request that it be transmitted to the Joint Chiefs of Staff for their consideration and the eventual issuance of appropriate instructions to the military commander in the field.

Respectfully yours,

LOUIS G. DREYFUS, JR.

[Enclosure]

Memorandum of Conversation, by the Third Secretary of Legation in Iran (Jernegan)

[TEHRAN,] September 21, 1943.

Subject: American Policy toward Iran; Attitude of Persian Gulf Service Command.

I called on General Connolly to pay my respects and to present a letter of introduction from Colonel Douglas V. Johnson, Chief, Central African-Middle Eastern Theater, Theater Group, Operations Division, War Department. The conversation, during which General Connolly took the initiative and did most of the talking, lasted for more than an hour and a half and covered a wide field. It may be roughly summarized as follows:

(1) *Relation of PGSC¹³ to American Foreign Policy*: General Connolly led off by saying that he thought there should be closer coordination between American political and military activity throughout the world. Both the War Department and the State Department were "on the same team" and should each be fully aware of what the other was doing and wanted to accomplish. In this connection, he cited the teamwork of British diplomatic and military officials, which was the result of centuries of British military and political activity in all parts of the world. Prior to the present war, the State Department had not needed to consider the American military organization in carrying out its policies, because our Army had been confined to the United States. Now, however, we had troops

¹² *Ante*, p. 378.

¹³ Persian Gulf Service Command.

abroad in large numbers and in many places, and it was essential that their commanders be informed regarding the objectives of our foreign policy. Otherwise, they might unintentionally handicap our diplomatic operations or miss opportunities to further our policies. American military forces were frequently in a position to take concrete, positive, action, whereas the State Department and its representatives abroad could only persuade.

With respect to his own position, General Connolly said that his orders were solely to expedite the movement of goods to the Soviet Union, under the direction of the War Department. He was not informed regarding American political objectives in Iran and had not been able to ascertain that the United States had any definite policy toward this country. Consequently, he had felt that the only course open to him was to avoid scrupulously any action of any kind which might involve his command in political matters. As he put it, he was "walking a tight rope" between the intricate maneuverings of the Soviets, British and Iranians. However, if he were fully informed regarding American policy, assuming that we had any real interests in Iran, it might be possible for his command "to give the ball a push in the right direction" from time to time.

I remarked that Colonel Stetson¹⁴ had called at the State Department during his recent visit to Washington and had asked whether the Department did, in fact, have any definite policy toward Iran. We had shown him a memorandum on this subject.¹⁵ I said I was somewhat surprised that General Connolly had not long-since received a copy, or at least a summary, of that memorandum from the War Department, because copies had been furnished General Handy, chief of the Operations Division, and General Wedemeyer, chief of the Strategy Group of that Division.

(2) *American Interests in Iran*: General Connolly said that he was doubtful as to whether the United States really had any justifiable interest in Iran. The only important, concrete American interest in this part of the world seemed to lie in our oil concessions, which were down around Bahrein Island and not in Iran at all.

I said that in the opinion of the State Department we had two interests, one practical and one which might be called idealistic. The first General Connolly had already mentioned, the oil fields of Arabia. In strict confidence, I could say that these were taking on great importance in the eyes of the United States Government, notably the War and Navy Departments. A large immediate development of those fields was, I believed, being initiated, and they were also regarded as most important from the standpoint of future reserves.

¹⁴ Col. John B. Stetson, Jr., fiscal adviser to General Connolly.

¹⁵ Apparently the memorandum of January 23, entitled "American Policy in Iran", p. 331.

Iran came into this picture because a great power established on the Iranian side of the Persian Gulf would be in a position to deny us the use of the Arabian fields. In this respect, our position was becoming similar to that of the British, whose oil fields in southern Iran would be jeopardized if another great power controlled Iran.

Our other interest in Iran, I said, was less immediately practical and selfish. The State Department felt that if Iran should lose its independence, whether in name or in fact, as a result of the war, it would be negation of the principles of the Atlantic Charter, the principles to which all the United Nations were pledged and for which we had repeatedly announced we were fighting. Such a negation would destroy the confidence of the world in the good faith of the United Nations and would begin the disintegration of the peace structure which we hoped to set up. The same thought would, of course, apply to an encroachment upon the rights of a small nation in any part of the world, but Iran was of particular interest in this connection because circumstances seemed to single it out as being in special danger.

I went on to say that Iran's danger, in the view of the State Department, might be lessened if it could be rehabilitated and enabled to stand on its own feet. There would be less temptation for an interested great power to step in and establish a protectorate, or annex all or part of the country, if Iran were a going concern. A state of chaos in the country would provide at one and the same time an excuse and an opportunity for foreign intervention. The State Department's policy, therefore, was to lend such assistance as might be practicable to improve conditions in Iran.

General Connolly appeared to feel that this statement of American interests might be logical, but he doubted whether the policy it envisaged could be or should be carried out. . . .

[Here follows discussion of certain conditions in Iran.]

At the conclusion of the conversation, which was friendly throughout, General Connolly reiterated his interest in being kept informed regarding American political objectives and expressed a desire for close contact between his command and the American Legation at Tehran. I said I was sure the Legation was in agreement with his views in this regard. I further remarked that I thought he might hear from the War Department in the not too distant future regarding American policy in Iran, since shortly before my departure from Washington a statement of the State Department's general attitude had been sent to the President with the request that he transmit it, if he approved, to the Joint Chiefs of Staff for their consideration and guidance and for the issuance of appropriate instructions to the field.

891.24/477%

*Memorandum of Conversation, by Mr. G. Frederick Reinhardt of the
Division of European Affairs*

[WASHINGTON,] September 30, 1943.

Participants: Mr. Harry Hopkins,¹⁶ Mr. Acheson,¹⁷ of the Department of State, and other members of the President's Soviet Protocol Committee

During the course of the Committee meeting, Mr. Hopkins referred to the question of supplies for Iran. He stated that General Connolly was operating in that area under a directive which instructed him to subordinate all other matters to the prime consideration of getting supplies through to the Soviet Union. This had given rise to certain conflict with other agencies of this Government which were operating in Iran.

Mr. Hopkins suggested that the whole question be examined with a view to the possible issuance of modified instructions to General Connolly, should this prove to be required by American policy in that area.

891.00/2057: Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, October 2, 1943—2 p. m.

[Received October 4—10: 55 a. m.]

976. My 818, August 7 [8]. Seyid Zia-ed-Din returned to Tehran on September 30. There is little doubt that his return was arranged, or at least encouraged, by the British, supported by a large group of prominent Iranians such as Ala,¹⁸ Ebtehaj¹⁹ and Ahmadi²⁰ who profess to believe that Seyid is the only Iranian now capable of leading Iran out of the wilderness. Shah was persuaded by the British not to oppose his return to Iran or his subsequent political activities. However, the Russian Chargé informs me his Government still strongly objects to Seyid because of his alleged reactionary tendencies, his reputation as a British tool and his record in connection with *coup d'état*.

While the next move of Seyid's supporters is not clear, it seems likely that he will be elected to the Majlis in the current elections. This will give him an opportunity to attain power gradually, to study the

¹⁶ Harry L. Hopkins, Special Assistant to the President.

¹⁷ Dean G. Acheson, Assistant Secretary of State.

¹⁸ Hussein Ala, Minister of the Court.

¹⁹ Abdol Hassan Ebtehaj, Director General of the Banque Mellie (the National Bank of Iran).

²⁰ Field Marshal Ahmad Amir Ahmadi, the Minister of War.

Iranian political scene and allow time for an effective buildup in the press and among the people. His eventual assumption of power as Prime Minister seems probable unless the Russians are willing openly to prevent it. In this connection, Seyid's bid for power combines all the elements for a more open and intensified struggle for ascendancy between the British and Russians in Iran.

The Department is familiar with Seyid's record, how he supported the abortive 1919 treaty,²¹ how he attacked the United States violently in editorials in his newspaper *Raad* and how he engineered the *coup d'état* which led eventually to the disposition of Ahmad Shah and the advent of the Pahlevi dynasty (see, for example, despatch of October 1, 1919²²). In view of the far reaching political implications involved, his activities will be carefully followed.

DREYFUS

740.0011 Moscow/5 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, October 6, 1943—5 p. m.

[Received 5:55 p. m.]

6739. The following communication dated October 5 just received from the Foreign Office outlines the general line which it is provisionally proposed that the British delegation to the forthcoming Three Power Conference²³ should take with regard to the question of Allied policy in Iran, which is stated to have been put on the agenda for the discussions. Foreign Office states in this connection that Mr. Wallace Murray, in a recent conversation with a member of the British Embassy at Washington, suggested that it would be most valuable if His Majesty's Government could induce the Soviet Government to give greater support to Dr. Millspaugh.

"The success or otherwise of Allied policy in Iran has been found to depend to a very large extent on the degree of cooperation which can be achieved between the Allied representatives in Tehran. Where the Soviet, United States and British representatives are agreeable to take concerted action, serious difficulties can be overcome. Conversely, if one of these representatives is not prepared to cooperate or is unable to obtain the necessary instructions from his Government, then the relevant problems become far harder to solve.

²¹ For correspondence regarding this agreement, see *Foreign Relations*, 1919, vol. II, pp. 698 ff. For text of agreement, signed August 9, 1919, see *ibid.*, p. 703.

²² Quarterly Report No. 5, not printed.

²³ The Conference of Foreign Ministers which met at Moscow October 18–November 1, 1943; for correspondence on this Conference, see vol. I, pp. 513 ff.

In Iran, a more satisfactory degree of cooperation has been achieved recently than in the past. There is perhaps room for further improvement, particularly in the economic sphere.

The three Allied Governments would do well, in Iran's interests and in their own, to give full support to the work of the United States advisers. Dr. Millspaugh's recent reports show that Iran's economic and financial position is critical. Dr. Millspaugh has asked, in particular, for financial assistance. The question of a United States credit is under consideration. The Anglo-Iranian Oil Company have agreed to an advance of royalties. The Soviet Government's contribution might, it is suggested, take the form of a revision of certain contracts which impose a heavy burden on the Iranian budget; for example, under the munitions factories contract, the entire responsibility for financing the production of arms in these factories, for the benefit of the Soviet forces, falls on the Iranian budget.

It would also seem desirable that the whole of Iran, including all those areas where Soviet, United States or British troops are stationed, should be treated as a single administrative and economic unit. Every facility should be granted to the Iranian Government to exercise administrative control over the whole country. This would conform to Article IV of the Tripartite Treaty, under which the Allies undertook to disturb as little as possible the administration and the economic life of the country.

The explanations given to the Soviet Government regarding the employment of US transportation troops in Iran have already, it is hoped, cleared up any doubts which may have arisen on this point. The Soviet and British troops will, in accordance with the Anglo-Soviet-Iranian Tripartite treaty, be withdrawn from Iran within 6 months of the end of hostilities with Germany and her associates, and it is of course understood that the United States troops will likewise be withdrawn before that date.

To sum up, it is suggested that the policy of the Allied nations towards Iran may be defined simply and concisely. So long as the war in Europe lasts, that policy should aim at the utmost development of Iran as a channel for the passage of supplies into the Soviet Union.

At the same time, all practicable measures should be taken to ease the strain which that policy places upon the internal economy of Iran herself.

After the war, there should be rapid withdrawal of Allied controls and the aim of the Allied nations should be to respect the integrity and the independence of Iran and to enable her to maintain the stability of her administration by any economic assistance which she may require and which it may be in their power to afford her."

Copy of the Foreign Office letter has been given to Harriman.²⁴

WINANT

²⁴ W. Averell Harriman, the Appointed Ambassador to the Soviet Union.

891.00/2087

Memorandum by the Assistant Secretary of State (Berle) to the Under Secretary of State (Stettinius)

[WASHINGTON,] October 6, 1943.

MR. STETTINIUS: The attached memorandum,²⁵ and particularly the last page of it, I think offers some possibilities.

The War Department has from time to time assigned officers to the State Department for special missions and I see no reason why we could not ask the President to have the War Department assign General Hurley to us.

I am perfectly clear that the Iranian situation is a terrible mess and that only a two-fisted hard-hitting man is likely to clear [it] up. Unhappily, our own reports bear out Pat's statement as to the results of the British-Russian policy in Iran. In the last war, 25 percent of the entire population of that unhappy country starved to death as a result of the German activity there. This time, it looks as though the Allied occupation might produce about the same results. This result ought to be avoided if there is any human possibility of doing so. I think Pat's assignment to the problem might be a good place to begin.²⁶

A. A. BERLE, JR.

891.00/2042§

Memorandum by the Adviser on Political Relations (Murray) to the Under Secretary of State (Stettinius)

[WASHINGTON,] October 7, 1943.

MR. STETTINIUS: I should be glad to discuss with you at your convenience Mr. Berle's attached memorandum of his conversation with General Hurley on the present critical situation in Iran.²⁷

You may be interested to know that the Secretary addressed a letter to the President on this subject, dated August 16, a copy of which is attached.²⁸ Only within the last few days, however, does it appear that consideration is being given to the matter, and both Admiral Leahy and Mr. Harry Hopkins have started to move. Mr. Hopkins has sent word to me that he would like to speak to me either

²⁵ Filed separately under 123 Hurley, Patrick J./109½. This memorandum by Mr. Berle reported a conversation in which Gen. Patrick Hurley gave a summary of conditions in Iran and suggested that he be assigned to the Department of State and sent to Iran.

²⁶ Notation by the Under Secretary: "Discussed with Mr. Berle in person. E. R. S., Jr. 10/11/43."

²⁷ See footnote 25, above.

²⁸ *Ante*, p. 377.

today or tomorrow on this subject, and I am holding myself in readiness for such a discussion.

It is not entirely clear from Mr. Berle's memorandum just what part General Hurley believes he might usefully play in the present situation in Iran, but if he in fact would be prepared to proceed there on a special mission to function at least during the time of the leave of absence of Mr. Dreyfus, who is expected to return to this country next month, we are, generally speaking, of the opinion that General Hurley might be in a position to bring a certain measure of order out of the present chaos, particularly with regard to the relations between General Connolly's Persian Gulf Service Command and our Legation, as well as the various other American agencies now functioning under desperate difficulties in that country.

From all reports Mr. Dreyfus is not a well man and it may be that he will be in no condition to return to Iran. I doubt that General Hurley would wish to remain in Tehran for any length of time in the capacity of Chief of Mission, although if he desires such an appointment rather than the capacity of the head of a special mission or personal representative of the President, as the case might be, his services might be equally useful. In any case, I think it would be highly desirable for General Hurley, if he proceeds to Iran, to go there with his full military rank and even with two stars, rather than one, since there are already two American major generals carrying on in the country. The situation there today is so predominantly military that an American military chief of mission would not be out of order. There is ample precedent for such an appointment in the case of Admiral Bristol who functioned for years in Istanbul as the American High Commissioner and retained his rank in the Navy during the entire time.²⁹

WALLACE MURRAY

740.0011 Moscow/5 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, October 8, 1943—midnight.

6264. Please inform the Foreign Office that the Department wholly concurs in the communication quoted in your telegram no. 6739, October 6, 3 [5] p. m. concerning Allied policy in Iran.

HULL

²⁹ For correspondence on the appointment of Rear Adm. Mark Lambert Bristol as American High Commissioner at Constantinople, August 1919, see *Foreign Relations*, 1919, vol. II, pp. 810 ff.

891.00/2061 : Airgram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, October 12, 1943—2 p. m.

[Received October 20—2 p. m.]

A-1207. Reference Department's Airgram A-1271, dated September 22, 1943. Following is text of an informal note from the Foreign Office in reply to the Embassy's presentation of the Department's views on the security problem in Iran :

"Many thanks for your letter of the 30th September, about Anglo-American co-operation in Persia.

"We are happy to have this confirmation that the State Department are particularly aware of the importance of the security problem in Persia. The support of the United States authorities in connexion with the recent action by the British and Soviet representatives to secure the arrest of Axis agents and suspects in Persia contributed in no small measure to the satisfactory results obtained.

"We are aware of the difficulties entailed in the proposal to increase the supply of consumer goods to Persia, and agree with the State Department's view that this is a question which must be referred to the Middle East Supply Centre."

WINANT

891.24/604a

The Assistant Secretary of State (Berle) to Admiral William D. Leahy, Chief of Staff to the Commander in Chief of the Army and Navy

WASHINGTON, October 15, 1943.

MY DEAR ADMIRAL LEAHY: The State Department is seriously concerned over a situation which has arisen in Iran and which appears to be due to lack of coordinated effort between the diplomatic, the military and the American-sponsored missions. The situation is precarious, and plainly needs prompt attention.

The Secretary sent a letter to the President on August 16, 1943, outlining the situation and I believe that it may have been referred to you for consideration. Since the letter was sent, conditions in Iran have continued to deteriorate.

A summary of the difficulties purely from the point of view of the State Department would of course be one-sided, and it is believed you will wish to ascertain the facts through your own channels. But the salient points appear to be these:

General Connolly considers his task to relate solely to the transport of supplies through Iran to the Soviet Government. Under this construction, the considerable force which he has is not available to do even elementary service such as protecting the American Legation in Tehran; as a result of which (the Iranian police being disorgan-

ized) the Legation has been repeatedly robbed. In contrast the British Legation is continuously guarded by a considerable contingent of British troops.

Security for the railway line is a British responsibility; but it is claimed that our forces are partial to the Russians. In any case, little consideration is shown the Iranians. In this situation, difficult at best, General Connolly's command and the American Legation in Tehran appear to be so much at cross purposes that it is a matter of common knowledge in the Middle East. Naturally, we hear only the Legation side of this, but it is pretty impressive.

The American policy is to endeavor to hold Iran together if it can possibly be done. This task is difficult at best, and can only be performed if all American elements there work shoulder to shoulder supporting each other's hand in every possible way.

The interest seems to the Department not merely diplomatic. Should Iran disintegrate into an anarchic mass of hostile population, warring tribes, and armed movements (a situation which has already begun in some parts of Iran), the task of transporting supplies to Russia through that country would be vastly more difficult. The long range results to American interests in the Middle East (among which may be noted the oil interests we have in Iraq and Arabia, and our relations with Turkey) might become extremely complicated.

I know that you have had this in mind and have been looking into the matter. It would seem some pretty drastic remedial action is necessary. The Department's suggestion is that you review the facts independently, and thereafter, if you care to do so, confer with the Department as to possible reorganization of a dangerous situation.

Sincerely yours,

ADOLF A. BERLE, JR.

891.00/2042§

Memorandum by the Adviser on Political Relations (Murray) to Admiral William D. Leahy, Chief of Staff to the Commander in Chief of the Army and Navy

WASHINGTON, October 16, 1943.

Referring to Mr. Berle's letter of October 15, regarding the situation in Iran, there is attached a copy of Mr. Hull's letter to the President of August 16, 1943,³² mentioned in Mr. Berle's letter.

There is also enclosed a copy of a memorandum of January 23, 1943,³³ which explains the basis of the State Department's policy toward Iran. Subsequent events in Iran have only confirmed our view that the policy outlined will best serve American interests in that area.

WALLACE MURRAY

³² *Ante*, p. 377.

³³ *Ante*, p. 331.

891.00/2042%

*Memorandum by the Assistant Secretary of State (Berle)*³⁴

[WASHINGTON,] October 20, 1943.

Admiral Leahy courteously came over to see me and stated:

(1) That if the Department wrote a letter to the War Department asking them to provide a legation guard for Dreyfus, the War Department would be disposed to provide one.

(2) Likewise, if we can specify what we want, Admiral Leahy believes that we can have men assigned to us from the Charlottesville crowd³⁵ to assist our mission in Iran.

(3) He is considering whether we cannot assign a two-fisted general to Iran and wonders whether Iran could request us to send a military mission in view of their recent declaration of war. He foresees some opposition from the British; we should have to overcome it.

(4) This would solve the Connolly angle, since Connolly, properly speaking, is there to do railroading and nothing else.

(5) He has a general feeling that Dreyfus, while he may have been right, is probably personally inadequate to swing a very wild situation. I told him in this regard that part of it, I thought, represented a campaign against him by British sources, and perhaps also Russian sources, but that we would take his comment into consideration.

Attached, his letter.

A[DOLF] A. B[ERLE], JR.

[Annex]

Admiral William D. Leahy, Chief of Staff to the Commander in Chief of the Army and Navy, to the Assistant Secretary of State (Berle)

WASHINGTON, October 20, 1943.

MY DEAR MR. BERLE: Upon receipt of your letters PA/M and NE 891.24 of October 15th,³⁶ I at once took up with the American Chiefs of Staff the difficulties that your Department is encountering in Iran as enumerated in the above-noted letters.

Some of these difficulties together with others affecting the U. S. Army had already come to the attention of the Chiefs of Staff.

³⁴ Addressed to the Chief of the Division of Near Eastern Affairs (Alling), the Adviser on Political Relations (Murray), and the Acting Secretary of State (Stettinius).

³⁵ The United States Army's School of Military Government.

³⁶ For one of the letters, see p. 394; the other letter not found in Department files.

The situation in Iran which controls action by the American Chiefs of Staff is briefly as follows:

Iran has been accepted for war purposes as a British responsibility.

By agreement with the Combined Chiefs of Staff, the U. S. Army is charged with developing and operating transportation and port facilities in the Persian Corridor. The U. S. Army has no other military function.

The British military force in Iran has agreed to provide the necessary protection.

The American Commander in Iran, General Connolly, has complained of inadequate protection and his complaint was on 17 September brought to the attention of the British Chiefs of Staff. We have as yet received no reply from the British Chiefs of Staff.

It is my understanding that the Commander of British Forces in Iran has full authority to decide upon what material shall be transported by General Connolly's transportation facilities.

Reports have come to us that this authority has at time interfered with shipment of war material to Russia and has restricted shipments by and to the native inhabitants.

In view of the fact that Iran has definitely been designated a military sphere of British responsibility by the highest political authority, action by the American Chiefs of Staff appears to be precluded, and political complications in that Area would seem to be a problem for diplomatic solution.

It is my personal opinion that the War Department can properly provide a legion guard if requested by the Department of State to do so.

It appears to me also that the Secretary of War on your request might be able to lend to your Department a number of individuals to assist Dr. Millspaugh and your other "American Advisors".

The American Chiefs of Staff are not informed as to the number or the availability to the War Department of such individuals who might be suitable.

I am informed by officers of the War Department that past experience indicates that cooperation with the United States Minister in Russia [*Iran?*] has been difficult.

Very truly,

WILLIAM D. LEAHY

891.00/2042%

*Memorandum by the Adviser on Political Relations (Murray)*³⁷

WASHINGTON, October 22, 1943.

With regard to the attached letter from Admiral Leahy addressed to Mr. Berle,³⁸ as well as Mr. Berle's memorandum,³⁹ we are already starting action along the following lines.

1. We propose to telegraph to Mr. Dreyfus to ascertain the present situation with respect to a legation guard. It seems desirable to have this information in hand before taking the matter up with the War Department, in view of the fact that we have learned informally from Colonel Chaffee, who has recently been in Tehran, that General Connolly had instructed one of his military patrols to pass by the legation compound at stated intervals. This action may or may not be sufficient for the legation's needs.

2. With respect to Admiral Leahy's helpful assurances that the Secretary of War, upon our request, might be able to lend this Department a number of individuals to assist Dr. Millspaugh and other American advisers in Iran, we are telegraphing our Legation to furnish us with complete information as to the number and type of advisers needed. As soon as that information is in hand we shall take the matter up with the War Department.

3. With regard to Admiral Leahy's thought that it might be desirable to assign "a two-fisted general" to Iran and his speculation as to whether Iran might not request us to send a military mission, in view of their recent declaration of war, the following observations are in order:

a) Such a request was received from the Iranian Government many months ago and was enthusiastically supported by the British Government. As a result Major General Ridley was sent to Iran as head of a military mission and is now operating with eight or nine American officers under him. Recently the Iranian Government requested us to send additional officers to strengthen that mission. The War Department, however, requested us to inform the Iranian Legation that it would be difficult to spare additional personnel and that in any case consideration could be given to the request only if it were recom-

³⁷ Addressed to the Assistant Secretary of State (Berle) and the Acting Secretary of State (Stettinius). In a memorandum of October 28 the Acting Secretary wrote: "Thank you very much for your memorandum of October 22 relative to Iran which I have read with great interest. I agree with your suggestion regarding the memorandum to the President on General Hurley and would appreciate it if you would be good enough to draft such a memorandum for my signature."

³⁸ *Supra*.

³⁹ October 20, p. 396.

mended by Major General Ridley. Even then, the War Department pointed out, it would be necessary to weigh the request most carefully in view of the manpower shortage. I am strongly of the view that the existing mission should be strengthened with a view to reorganizing the Iranian army as soon as possible, for the purpose of preserving law and order in the country which appears to be disintegrating rather seriously.

b) After a discussion with Mr. Berle yesterday of the Iranian situation it was agreed that we might draft a memorandum to the President for Mr. Stettinius' initials, if he approves, suggesting the temporary assignment of General Hurley to Iran in the capacity of Personal Representative of the President with the rank of Ambassador, and with two stars on his shoulders. We are in agreement that after the forthcoming departure of Mr. Dreyfus on leave of absence, General Hurley might do a very useful job for us in bringing about a much needed collaboration between the Persian Gulf Service Command and the Legation, as well as with the numerous other American advisers functioning in the country. The memorandum in question will come along shortly for your approval.

WALLACE MURRAY

121.891/7a

Memorandum by the Acting Secretary of State to President Roosevelt

[WASHINGTON,] October 29, 1943.

As you know, the situation in Iran is critical. I think it would be desirable, in certain contingencies, to make use of Brigadier General Patrick Hurley for a short period on special mission at Tehran. I believe that General Hurley should go as your Personal Representative with the rank of Ambassador. In as much as there are already two American Major Generals in Iran, it would seem essential that General Hurley have equal rank.

General Hurley, who is *persona grata* to the Russians, could help in bringing about greater coordination with them and could also help to coordinate the activities of our own agencies.

Our Minister at Tehran, Mr. Louis Dreyfus, is planning in the near future to come home on sorely needed leave. It is our thought that General Hurley might stay in Tehran during the time that Mr. Dreyfus is away, but it would not be necessary for the General to assume actual charge of our Mission.

May I have an indication whether you approve this proposal? ⁴⁰

EDWARD R. STETTINIUS, JR.

⁴⁰ Returned by President Roosevelt with notation: "ERS OK FDR."

123 D 82/566 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 4, 1943—9 a. m.

[Received 11:32 a. m.]

1045. Relinquished charge and departed today for the United States with Secretary's party.⁴¹

DREYFUS

740.0011 Moscow/212

Mr. George V. Allen, Member of the American Delegation to the Tripartite Conference of Foreign Ministers, to the Secretary of State

[TEHRAN,] November 4, 1943.

[Received November 16.]

Subject: Discussions regarding Iran at Moscow Conference.

SIR: I have the honor to submit, for the Department's information, a summary of the discussions regarding Iran held during the tripartite meeting of foreign secretaries at Moscow, October 18 to 30, 1943.

The subject "Common Policy towards Iran" had been proposed by the British Government for discussion at the conference and was incorporated in the final agenda as point No. 10. In accordance with the agreed procedure regarding presentation of subjects, the British delegation prepared a memorandum, (the substance of which was communicated orally to the American delegation in advance) which was circulated by hand to the American and Soviet representatives on October 23. This memorandum⁴² (enclosure No. 1) reviewed the situation in Iran and contained a suggested tripartite declaration of policy which might be agreed upon at the Conference.

On October 24, Mr. Eden called on the Secretary of State at Spaso House. Mr. Hull took the occasion to suggest (1) that the proposed declaration be expanded to include a promise of support for the foreign advisers (Dr. Millspaugh et cetera) and domestic agencies working to improve conditions in Iran and (2) that separate declarations be made regarding the intentions of the three powers to withdraw their armed forces from Iran after the cessation of hostilities. Mr. Eden concurred in these suggestions.

Item 10 on the agreed agenda came before the general meeting of the foreign secretaries for the first time at the session of October 24. Mr. Eden referred to the British memorandum and asked that the conference also consider various practical questions relating to the

⁴¹ Secretary of State Cordell Hull was returning from the Tripartite Conference of Foreign Ministers held at Moscow. Richard Ford was left as Chargé in Iran.

⁴² Vol. I, p. 730.

operations of the three powers in Iran, such as transport, finance, coordination of trade activities, etc. He proposed the appointment of a sub-committee to study the whole question of policy in Iran.

Mr. Molotov ⁴³ said that a few days before the opening of the conference the Iranian Ambassador at Moscow, Mr. Ahy, had called at the Soviet Foreign Office to express the opinion that Iran was entitled, by the terms of the Anglo-Soviet-Iranian Treaty of Alliance, to be represented at any discussions concerning Iran, and that the Ambassador had been informed that the Soviet authorities did not expect that decisions regarding Iran would be made by the conference. Mr. Molotov asked the opinion of the meeting as to whether this reply had been correct.

Mr. Eden replied that it was not suggested that any major decisions be taken nor anything done which might affect the terms of the tripartite treaty of alliance. His thought was merely to discuss certain measures which, if the conversations were successful, could only redound to the benefit of Iran.

Mr. Molotov did not dissent from this statement, and Mr. Hull concurred in the suggested appointment of a sub-committee on Iran. Mr. Molotov, Mr. Eden and Mr. Hull then named the following members of their respective delegations to be members of the Iranian sub-committee:

For the Soviet delegation:

Mr. S. I. Kavtaradze, People's Vice-Commissar for Foreign Affairs;

Mr. Andrei Smirnov, former Soviet Ambassador to Iran.

For the British delegation:

Mr. Adrian Holman, Counselor of the British Legation at Tehran;

Mr. William Iliff, Financial Counselor of the British Legation at Tehran.

For the American delegation:

Mr. George V. Allen, Assistant Chief, Division of Near Eastern Affairs, Department of State;

Mr. John D. Jernegan, Third Secretary of the American Legation, Tehran.

On October 25, the British members of the sub-committee circulated to the other two delegations copies of two proposed declarations ⁴⁴ (enclosure No. 2), based upon the original British memorandum of October 23 and upon the suggestions made by the Secretary of State to Mr. Eden during their conversation on October 24.

The sub-committee met for the first time on October 26. The British members proposed consideration of their draft declarations, and the

⁴³ V. M. Molotov, Soviet Minister for Foreign Affairs.

⁴⁴ Vol. I, pp. 732 and 733, respectively.

American members put forward a memorandum ⁴⁵ (enclosure No. 3) containing a proposed amendment to the British draft of a tripartite declaration together with a draft of a declaration to be made by the United States regarding withdrawal of its troops from Iran. It was proposed that this latter declaration be made simultaneously with the similar Anglo-Soviet declaration suggested by the British members. The British members at once accepted the American amendment to the draft tripartite declaration.

Owing to delay in delivery, the Soviet members had not received advance copies of either the British draft declarations or the American memorandum. They felt that they could not discuss those documents without written Russian translations, and it was agreed, therefore, to defer their consideration until the following day.

The British members put forward, for later discussion, the following specific points on which they thought it desirable to reach agreement, at least in principle:

(1) That all three powers should do what they could to relieve the food situation in Iran.

(2) That all three powers should do what they could to relieve the Iranian road transport situation.

(3) That all three powers should coordinate as far as possible their policy with regard to local purchases in Iran.

(4) That during the war period all three governments should coordinate their programs of imports into Iran.

(5) That an understanding should be reached regarding matters of finance involved in the operation of the Trans-Iranian railroad. (In this connection, the British members presented a memorandum containing the principal points which they considered should be incorporated in a four-party Anglo-American-Soviet-Iranian agreement (enclosure No. 4 ⁴⁶).

(6) That the three powers should conclude an agreement regarding payment of Iranian taxes.

(7) That there should be regular consultation in Tehran between the three chiefs of mission on all economic and financial questions.

The sub-committee held its second meeting on October 27, Mr. Kavtaradze being elected chairman, and proceeded at once to the consideration of the draft declarations submitted the previous day by the British and American members. The Soviet members said that the declarations were substantially a repetition of assurances and undertakings which were already contained in the Anglo-Soviet-Iranian treaty or which were incorporated in the draft agreement being negotiated between the United States and Iran. They asserted that they saw no necessity or reason for the publication of new assurances of this character, maintaining that the Iranian government and people were entirely satisfied as to the intentions of the three powers. They ex-

⁴⁵ Vol. I, p. 735.

⁴⁶ *Ibid.*, p. 734.

pressed the fear that the issuance of further declarations, when there had been no change in conditions, would alarm rather than reassure the Iranians. The Soviet members also questioned the propriety of taking action of this kind without consultation with the Iranian Government.

Both the American and British members stated that they believed declarations of the sort proposed would be well received and would have a beneficial effect not only in Iran but also in other small countries which might be in doubt regarding the motives of the Great Powers. They emphasized the importance of demonstrating the unity of the three governments with regard to Iran, where they came more closely in contact with each other than at any other point. Both delegations also asserted their willingness to have the declarations submitted to the Iranian Government and to accept its decision regarding their publication. They further expressed their willingness to consider any counter-drafts which the Soviet members might wish to present, or to discuss any desired changes in the draft texts as presented. (See enclosure No. 5 for a detailed account of the discussion.⁴⁷)

As the attitude of the Soviet members remained unvarying, and as they expressed a desire to have time to study certain new ideas which had been developed in the course of the conversation, it was agreed that further consideration of the declarations should be postponed until the next meeting.

There was brief discussion of certain of the seven points suggested by the British members at the first meeting, during which the Soviet members expressed strong doubts regarding the practicability of considering such complex questions without prolonged and careful study by experts of the elements involved. The American members made no comment on this general point but indicated that they were not prepared to go into details with respect to the proposed agreement on railway finance.

At no time during the second meeting of the sub-committee did the Soviet members advance any affirmative suggestion, their attitude throughout being negative. It was noticeable that they frequently made no response to the arguments and observations presented by the American and British members, whose views appeared to be substantially in accord.

On October 30, the sub-committee met for the third, and last, time. The Soviet members maintained their previously adopted position that no declarations with respect to Iran were necessary or desirable at the present time. Their remarks also clearly showed that they did not agree with some of the points included in the draft declarations, al-

⁴⁷ Vol. I, p. 645.

though it was not possible to determine the exact nature of their objections. There is transmitted herewith (as enclosure No. 6) a memorandum of the discussion,⁴⁸ from which it will be apparent that the Soviet members refused to admit that any difficulties existed in Iran, either political or economic, which were not being satisfactorily dealt with under existing agreements and arrangements.

After more than two hours of discussion, it seemed obvious that the Soviet members would not agree to the issuance of any declaration at the moment, regardless of its form. Their statements regarding the situation in Iran, and especially regarding the attitude of the Iranians toward the three powers, in some respects were so completely at variance with the views of the American and British members, that it did not even appear practicable to attempt to draw up a secret joint statement, which the American members had planned to propose as a basis for action by the three powers in Iran, in substitution for the proposed public declarations. In this connection, the American members also had in mind that the Conference was to close that same afternoon, which meant that there would be no time for careful discussion by the sub-committee of any new proposal, and still less for its consideration by the three secretaries of state.

Accordingly, the American members suggested that the sub-committee report to the Conference its failure to agree on the issuance of any declaration at the time and recommend that the question of issuing such a declaration or declarations be considered by the representatives of the three powers in Tehran, in appropriate consultation with the Iranian authorities. This suggestion was based upon a remark which Mr. Smirnov had made earlier that a more opportune moment for the study of declarations regarding Iran would be presented after the conclusion of the proposed Irano-American agreement regarding the status of American troops in Iran.

The British members concurred in the American suggestion and Mr. Iliff prepared the following draft report,⁴⁹ which was unanimously adopted by the sub-committee:

"The Committee reports to the Conference that

"a) After an exchange of views they detect no fundamental difference in the policy towards Iran of any of the three Governments.

"b) The Committee was unable to reach agreement on the expediency of making any immediate declaration or declarations with regard to Iran.

"c) The issue of such a declaration or declarations might be further considered by the representatives of the three Governments in Tehran with a view to the three Governments coming to a decision about the expediency of issuing such a declaration or declarations after the

⁴⁸ Vol. I, p. 674.

⁴⁹ Printed as Conference document No. 30, *ibid.*, p. 736.

signature of the proposed Irano-American Agreement, and after appropriate consultation with the Government of Iran."

During this meeting, as during the previous session, the British and American members seemed to be substantially in agreement, while the Soviet members held to a negative attitude. The latter answered evasively or ignored questions designed to draw out any specific objections they might have to the policies set forth in the British and American draft texts. They showed no disposition to compromise or to put forward alternative proposals.

The report of the sub-committee was presented to the plenary session of the Conference on the afternoon of October 30. Mr. Eden suggested that the discussions between the representatives of the three powers might preferably be held at Moscow rather than at Tehran. Mr. Molotov, however, preferred Tehran as the locale. Mr. Hull and Mr. Eden did not insist on Moscow, and the report was adopted as submitted. It was annexed to the final protocol of the Conference.

The discussions of the sub-committee were conducted on a friendly basis throughout. At the close of the final meeting all members expressed the opinion that the conversations had been most useful in clarifying the views of the three governments.

Mr. Philip E. Mosely of the Department of State attended the first two meetings as interpreter for the American members. His understanding of the subject matter and his complete command of the Russian language proved extremely valuable to the British and Soviet members as well as to the Americans, as all three parties relied upon him to carry the greater part of the burden of translation.

Respectfully yours,

GEORGE V. ALLEN

891.00/20424

*Memorandum of Conversation, by the Adviser on Political Relations
(Murray)*

[WASHINGTON,] November 4, 1943.

Subject: Desire of Iranian Government for an early evacuation of Russian and British troops in Iran.

During a visit which the Iranian Minister made on me today, by appointment, he informed me that the Iranian Prime Minister and Minister of Foreign Affairs had called upon Mr. Hull and Mr. Eden during their brief stopover in Tehran on their way back from Moscow, and brought earnestly to their attention the wishes of the Iranian Government in the following matter.

The Iranian Minister states that Mr. Hull and Mr. Eden were requested to give earnest consideration to the hopes of the Iranian Government that a means might be found to bring about the early

evacuation of Russian and British troops in Iran, even before the end of the war. In this connection the Iranian Minister referred to the Tripartite Treaty between Great Britain, Soviet Russia and Iran providing for the use of Iranian soil for military purposes, and particularly for the transit of military material and equipment to Soviet Russia, and providing also that all foreign troops should evacuate Iranian soil six months after the termination of hostilities.

The present viewpoint of the Iranian Government is that the situation in that country has so radically changed since the negotiation of the above-mentioned treaty, that the Iranians feel justified for the following reasons in requesting the earlier evacuation of Russian and British troops now occupying the country:

Whereas the occupation of Iran took place for the ostensible reason of expelling Axis agents said to be in the country at that time, all such agents then in question have now been disposed of. Furthermore, one of the stated reasons for the occupation was to protect Iran from Axis forces then pressing into the Caucasus, and since that time the Germans have been driven back hundreds of miles without any possible hope of ever returning to their positions of farthest advance. And finally, and most important, Iran has meanwhile declared war against the Axis and is now one of the United Nations. For this reason principally the Iranian Government feels that having thrown in its lot with the Allies, the British and the Russians should make an appropriate and early gesture of confidence by evacuating their troops, which constitute such an enormous economic burden on the population, as well as a humiliation to their national pride.

I told the Minister that we would be happy to discuss this matter with the Secretary upon his return, and that he might be confident that we would give earnest and sympathetic consideration to the wishes of the Iranian Government, bearing in mind, of course, the paramount military considerations.

WALLACE MURRAY

123 Hurley, Patrick J./110: Telegram

The Acting Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, November 5, 1943—9 p. m.

1677. Please endeavor to communicate the following message to Brigadier General Patrick J. Hurley who is understood to be in or near Cairo:

“The President has indicated his desire that you undertake a special mission for him in Iran. It is proposed that you have the title of Special Representative of the President with the rank of Ambassador and that you be given the temporary rank of Major General in the

Army of the United States. It is anticipated that this assignment would last only a few weeks. Is this proposal agreeable to you?"⁵⁰

STETTINIUS

121.891/8c : Telegram

The Acting Secretary of State to the Chargé in Iran (Ford)

WASHINGTON, November 5, 1943—9 p. m.

569. The President has indicated his desire to send to Tehran on special mission Brigadier General Patrick J. Hurley. It is proposed that General Hurley have the title of Special Representative of the President with the rank of Ambassador. At the same time he will be given the temporary rank in the Army of the United States of Major General.

It is proposed that General Hurley proceed to Tehran at once to assist the Legation. He would not take charge of the Legation which would be directed by you. Among General Hurley's duties, in regard to which appropriate instructions will be sent direct to him, will be those of coordinating the various agencies of the American Government in Iran and of coordinating the activities of those agencies with those of our British and Soviet Russian allies. It is expected that General Hurley would leave Tehran prior to the Minister's return from leave of absence.

Please inquire whether the proposed mission of General Hurley meets with the approval of the Iranian Government.

STETTINIUS

121.891/9 : Telegram

The Chargé in Iran (Ford) to the Secretary of State

TEHRAN, November 9, 1943—noon.

[Received November 9—10:43 a. m.]

1052. Reference Department's 569, November 5, 9 p. m. In joint interview this a. m. with Prime Minister and Minister of Foreign Affairs, both of whom are personally acquainted with General Hurley, they assured me that Iranian Government will heartily welcome appointment of General Hurley to Iran as Special Representative of the President with rank of Ambassador. Minister of Foreign Affairs proposes to confirm his Government's favorable attitude through his Minister at Washington.

FORD

⁵⁰ General Hurley, on a trip to Chungking, via New Delhi, did not receive this message until his return to Cairo on November 17, at which time he wired, "I am ready to undertake mission in Iran as indicated by President as soon as I receive directive outlining nature of mission."

891.00/2066

The Chargé in Iran (Ford) to the Secretary of State

No. 717

TEHRAN, November 10, 1943.

[Received November 30.]

SIR: I have the honor to transmit herewith a memorandum of a conversation with the Shah of Iran which may be of interest to the Department. Points which seem of some significance are:

- 1) The Shah's recognition that Iran must set its house in order if it is to avoid foreign intervention.
- 2) His emphasis on the necessity for social reform in Iran.
- 3) His relative (apparent) lack of concern regarding the intentions of the occupying powers, and his statement that the Soviet attitude toward Iran had shown marked improvement in the past two months.
- 4) His expressed desire for continued American interest in Iran, obviously as a counterbalance to the Soviets and British.

The thought was suggested to me by the trend of his remarks, that the Shah may not desire the withdrawal of the foreign troops now in Iran at too early a date. If this interpretation is correct, (and it is not in accord with the expressed wishes of the Foreign Minister, who says he is anxious to see the troops depart as soon as possible) it may indicate a fear on the Shah's part that there would be danger of revolution if Iran were left to its own devices at this moment. He may well feel that the maintenance of his throne depends upon effecting an improvement of conditions before the dissatisfaction of the people has a chance to express itself freely in action as well as in words.

Respectfully yours,

RICHARD FORD

[Enclosure]

Memorandum of Conversation, by the Chargé in Iran (Ford)

[TEHRAN,] November 6, 1943.

Subject: The Moscow Conference as it Affected Iran; General Situation in Iran.

Participants: The Shah of Iran
 Chargé d'Affaires Richard Ford
 Mr. George V. Allen
 Mr. John D. Jernegan.

Mr. Allen opened the conversation by saying that when Iran had been mentioned at the meeting of American, Soviet and British foreign ministers at Moscow, Mr. Molotov had referred to a recent call by the Iranian Ambassador. Mr. Ahy had expressed the view of his Government that Iran should be represented at any discussions affecting it, basing this opinion upon the terms of the Anglo-Soviet-Iranian Treaty of Alliance. Mr. Molotov said that the Ambassador

had been told the Soviet Government agreed with this point of view but that no decisions regarding Iran were expected to be taken at the conference. Mr. Eden concurred, and said that he did not propose that any decisions be taken. He felt, however, that any exchanges of views could only redound to the benefit of Iran.

Mr. Allen went on to say that it seemed to him inevitable that there should have been some informal conversations regarding Iran at a meeting such as the one in Moscow, since Iran was the one place in the world where the three nations concerned came most closely together. He then said that he believed that the Iranian Government had every reason to feel pleased with the outcome of the meeting. In the first place, we had been able to determine that all three governments fully intended to fulfill all their obligations to Iran; this had been repeatedly stated, and very emphatically by the Soviets. In the second place, the success of the conference in general, the ability of the conferees to reach agreement on fundamental matters, meant that they would not become embroiled in the future and that Iran would not become involved in rivalries between the Great Powers. If the meeting had been a failure, then Iran might well have feared for the future.

The Shah expressed his agreement with Mr. Allen's views. He said that he himself felt it had been Iran's misfortune that, in the past, Great Britain and the Soviet Union had been rivals. He further said that he had no serious worries about Iran's foreign relations at the present time. Specifically, he said that the Soviet attitude might have caused some concern in the past, but that during the past two months there had been a decided improvement in this respect, not only in the provinces where Soviet troops were stationed but also in Tehran.

The Shah emphasized that the great task facing Iran was on the home front. The country, he said, must achieve national unity before the end of the war and the consequent evacuation of the Allied troops. Otherwise, its disorganization might provide a "pretext" for some undesirable action. National unity was also necessary in order that the Iranian delegates to the peace conference might speak with authority for the entire nation.

The fundamental prerequisite for unity, the Shah felt, was social reform. After the war, the world would move more and more toward greater social benefits for the individual. In Iran, conditions were very bad; the mass of the people lived in extreme poverty, while the nation's wealth was concentrated in the hands of a very few. There must be a more even distribution of wealth. Every man must be able to get food at prices he could pay, he must be educated, he must have sanitary living conditions, he must be able to go back to a decent, civilized, home after his day's work.

To accomplish these reforms would require Draconian measures, for the Iranians were not accustomed to think in such terms. Iran must have a strong Cabinet and a strong Majlis, the one to propose and put into effect the proper measures and the other to enact the necessary laws. The American advisers could help greatly, especially in the field of finance. (The Shah remarked that he had always supported the advisers and would continue to do so.) Security must be reestablished through the disarming of the tribes. This would require a strong army, which Iran did not have at the present time. The army should be made so strong that the tribes would surrender their weapons without a fight. Otherwise, "Iranian blood would flow" in a long and difficult struggle to subdue them.

During the course of the conversation the Shah repeatedly stressed the importance of setting Iran's house in order, and he gave the impression that he considered this a task for the Iranians themselves, although he would welcome the assistance of the American advisers. He asked few questions regarding American, British or Soviet policy toward Iran, and most of his own remarks concerned internal matters. One exception was a statement to the effect that he would like to see American interest in Iran continue and grow, as he believed it in his country's interest to have three Great Powers, rather than two, concerned with Iranian developments. Two or three times he spoke of his conviction that the United States was completely disinterested, having no contiguous frontiers and no selfish ends to serve in Iran.

123 D 82/567 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 13, 1943—9 a. m.

[Received 9:25 p. m.]

1059. Referring to my telegram No. 1045, November 4, 9 a. m. I returned Tehran yesterday from Marrakesh and resumed charge of the Legation today. This change in my plans was made after consultation with Secretary Hull who suggested the advisability of postponing my leave for a few weeks pending a more suitable moment.

DREYFUS

123 Hurley, Patrick J./119 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, November 19, 1943—10 p. m.

1777. For General Hurley. It was originally intended that you take up a temporary assignment at Tehran during Dreyfus' proposed

absence. As you know, he was unable to avail himself of leave and is still at his post. Nevertheless, we feel that you can perform useful service in Iran at this time. It is not proposed that you assume charge of the diplomatic mission. Rather it is desired that through consultation and discussion with the appropriate American civilian agencies, such as our Legation at Tehran, the Lend-Lease representative there, Landis at Cairo, and through informal talks with the military authorities in Iran, you can assist in bringing about a greater degree of coordination and cooperation among the American agencies in Iran. We should also like to have you see what can be done in effecting closer cooperation among the American, British, Soviet and Iranian agencies there.

Some of these questions can doubtless be settled or adjusted informally on the spot. When this cannot be done we shall welcome your comments, suggestions, and recommendations as to action from Washington. Obviously it is impossible to indicate definitely the length of this assignment. We contemplate, however, that your special mission can be accomplished in a few weeks.

You might find it helpful, on arrival at Tehran, to review the Department's memorandum on American Policy in Iran.⁵¹

HULL

891.00/2042g

*Memorandum of Conversation, by the Adviser on Political Relations
(Murray)*

[WASHINGTON,] November 19, 1943.

Subject: Desire of Iranian Government for an early evacuation of Russian and British troops in Iran

The Iranian Minister called on me by appointment today to continue the conversation we had on November 4 regarding the desire of the Iranian Government for an early evacuation of Russian and British troops in Iran. A copy of my memorandum of that date is attached.⁵²

The Minister informed me that in his conversations with Mr. Alling on this subject he had been asked whether Iran would desire the simultaneous evacuation of American troops in the country. The Minister had taken this matter up with his Government by telegram and when he came to see me today he had a reply.

The reply of the Iranian Government with regard to the presence of American troops in Iran ran something as follows: The Iranian

⁵¹ Dated January 23, p. 331.

⁵² *Ante*, p. 405.

Government is not, of course, informed of the precise number or duties of foreign troops on Iranian soil; with regard to the presence of American troops this question could be taken up at the time a decision is reached with regard to other foreign troops in the country.

I told the Minister again that I would be glad to discuss this matter with the Secretary at an appropriate, and I hoped early moment, and that I had already sent to the Under Secretary a copy of my memorandum of conversation with the Minister on this subject of November 4, 1943. I remarked at the same time that the Minister would, of course, appreciate that the position of this Government with respect to the matter in question differed from that of the British and Russian Governments, in as much as those two Governments had an understanding with Iran regarding the presence of their troops in that country. I observed at the same time that the absence of any such understanding between this Government and the Government of Iran need not indicate that we would not be prepared to give earnest consideration to the present request of the Iranian Government, in consultation, of course, with the other interested Governments and in the light of the military necessities.

WALLACE MURRAY

123 Hurley, Patrick J./120 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, November 23, 1943—6 p. m.
[Received November 23—5:38 p. m.]

2154. From Brigadier General Patrick J. Hurley. Your confidential message November 19, 1943,⁵³ through American Legation received. In conference President⁵⁴ has confirmed your message of November 5⁵⁵ as modified by your message of November 19 and has directed me to proceed to Iran for the accomplishment of the mission outlined by you with certain additional duties which he has delegated to me. Will report to you from Tehran. Many thanks for promotion. [Hurley.]

KIRK

⁵³ Telegram No. 1777, p. 410.

⁵⁴ President Roosevelt was engaged at this time in the First Cairo Conference between himself, British Prime Minister Churchill, and Chiang Kai-shek, President of the National Government of the Republic of China, November 22–November 25, 1943. President Roosevelt and Prime Minister Churchill then went on to Tehran for the Tehran Conference with Marshal Stalin, November 28–December 1, 1943. For correspondence on these Conferences, see *Foreign Relations, The Conferences at Cairo and Tehran, 1943*.

⁵⁵ Telegram No. 1677, p. 406.

121.891/11 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 25, 1943—11 a. m.

[Received 1:35 p. m.]

1068. General Hurley arrived in Tehran yesterday and reported for duty as outlined in Department's 569, November 5, 9 p. m.

DREYFUS

123 Hurley, Patrick J./125 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, November 26, 1943—midnight.

598. For General Hurley. Please give Dreyfus the substance of the Department's telegram no. 1777 of November 19 sent to Cairo for you.

HULL

123 Hurley, Patrick J./126 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 29, 1943—10 a. m.

[Received 10:07 a. m.]

1075. Department's 598, November 26. Following from Hurley:

"We understand orders perfectly and getting along splendidly."

DREYFUS

L/T Files

*Declaration Regarding Iran, December 1, 1943*⁵⁶

The President of the United States of America, the Premier of the U.S.S.R., and the Prime Minister of the United Kingdom, having consulted with each other and with the Prime Minister of Iran, desire to declare the mutual agreement of their three Governments regarding their relations with Iran.

The Governments of the United States, the U.S.S.R., and the United Kingdom recognize the assistance which Iran has given in the prosecution of the war against the common enemy, particularly by facilitating

⁵⁶ Statement as agreed to by President Roosevelt, British Prime Minister Churchill, and Soviet Premier Stalin on December 1 during their conference at Tehran and issued in a communiqué at Tehran on December 6. For further documentation on this Declaration, see *Foreign Relations, The Conferences at Cairo and Tehran, 1943*, index: Declaration on Iran, p. 904.

the transportation of supplies from overseas to the Soviet Union. The Three Governments realize that the war has caused special economic difficulties for Iran and they are agreed that they will continue to make available to the Government of Iran such economic assistance as may be possible, having regard to the heavy demands made upon them by their world-wide military operations and to the world-wide shortage of transport, raw materials and supplies for civilian consumption.

With respect to the post-war period, the Governments of the United States, the U.S.S.R., and the United Kingdom are in accord with the Government of Iran that any economic problems confronting Iran at the close of hostilities should receive full consideration, along with those of other members of the United Nations, by conferences or international agencies held or created to deal with international economic matters.

The Governments of the United States, the U.S.S.R., and the United Kingdom are at one with the Government of Iran in their desire for the maintenance of the independence, sovereignty and territorial integrity of Iran. They count upon the participation of Iran, together with all other peace-loving nations, in the establishment of international peace, security and prosperity after the war, in accordance with the principles of the Atlantic Charter, to which all four Governments have subscribed.

WINSTON S. CHURCHILL
I. STALIN⁵⁷
FRANKLIN D. ROOSEVELT

891.00/2069 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, December 6, 1943—5 p. m.

[Received December 6—2 p. m.]

1091. Declaration as to Iran was enthusiastically received by group of Cabinet members, deputies, Army leaders, and press representatives to whom Prime Minister announced it yesterday. My 1090, December 5.⁵⁸ Deputy Teheri made fulsome speech in praise of Allied chiefs, thanking them for this demonstration of friendship and respect for Iran. Today's Tehran papers unanimously echo this enthusiasm.

DREYFUS

⁵⁷ This signature is in Russian on the original.

⁵⁸ Not printed.

S91.00/2079

The Minister in Iran (Dreyfus) to the Secretary of State

No. 751

TEHRAN, December 10, 1943.

[Received December 23.]

SIR: I have the honor to refer to my despatch No. 750 of December 9, 1943⁵⁹ and to my telegrams Nos. 1086 and 1091 of December 3 and 6,⁶⁰ respectively, reporting the signing of the American-British-Soviet declaration regarding Iran and the initial Iranian reaction to its publication.

Local reaction continues to be enthusiastic. There are enclosed excerpts from press comments,⁶¹ which provide a fair sample of the attitude taken by the Tehran newspapers. Some are almost rhapsodical in their tone, and no paper has expressed anything but pleasure at the honor shown Iran and the assurances given her.

Perhaps more significant is the attitude of the Iranian Government. The Prime Minister and Foreign Minister have taken pains to express to me their great satisfaction at the success of their request that a communiqué on Iran be issued by the Tehran Conference. They assert that this feeling is shared by the whole people, and they quite obviously regard it as a triumph for the Government.

Certainly, from all that the Legation has been able to learn, there is genuine rejoicing among the articulate, thinking portion of the population, even though the mass is probably almost unaware of the declaration and too preoccupied with the quest for bread to give it much attention.

As was to be expected, the press has been quick to seize upon, and perhaps to overemphasize, the portions of the document dealing with Iran's contribution to the war and the promise of economic assistance from the Allies. The Department is familiar with Iran's just, and oft-repeated, plea for help, and it would be contrary to Iranian human nature not to take the declaration in a spirit of "now-all-our-troubles-are-over-because-the-Allies-will-take-care-of-us". However, this attitude is not universal, and the press has not failed to appreciate the general significance of the American participation nor the importance of the final paragraph supporting Iranian independence, sovereignty and territorial integrity.

My own feeling is that, from our point of view and that of Iran, the significance and potential utility of the document may be summed up in the following points:

- 1) The United States has declared itself for the first time, formally and publicly, as interested in the welfare of Iran and as supporting its free and independent existence.

⁵⁹ *Foreign Relations*, The Conferences at Cairo and Tehran, 1943, p. 840.

⁶⁰ Telegram No. 1086, December 3, not printed.

⁶¹ None reprinted.

2) The U.S.S.R. and Great Britain have renewed their two-year-old pledges to respect Iranian independence, sovereignty and territorial integrity. Very many Iranians and others, as the Department is well aware, had begun to have grave doubts regarding those pledges, and this reassurance is most welcome. Further, if the great powers should be tempted in the future to disregard their promises, this public document, bearing the names of their highest leaders, may well give them pause.

3) The reference to the principles of the Atlantic Charter again brings that document before the world, gives evidence that it is intended to apply to small nations as well as great, and may, therefore, have a heartening effect even beyond Iran's borders. I am told by General Hurley that the President regarded this as the most important part of the declaration.

4) It will be difficult to ignore Iran after the war, as she was ignored at the Versailles Conference,⁶² in the light of the statements in the declaration that Iranian economic problems should receive full consideration at post-war conferences and that the three powers count upon Iran's participation in the establishment of international peace, security and prosperity. The express recognition of Iran's contribution to the war effort should also count in this connection.

I do not wish to appear to attach too much importance to the declaration. I realize that in many ways it is merely a pious wish and that the proof of the pudding will be in the concrete actions of the powers in the future. However, it does seem to me to be a step in the right direction, one more small stone in the foundation of international fair-dealing. It is encouraging that the British and Russians were willing to sign such a document, and, as I have already remarked, it should make it more difficult for them to have a change of heart later on.

Respectfully yours,

LOUIS G. DREYFUS, JR.

891.01/93 : Telegram

The Chargé in Iran (Ford) to the Secretary of State

TEHRAN, December 15, 1943—noon.

[Received 12:44 p. m.]

1122. Prime Minister Soheily resigned yesterday. It is thought this is merely a tactical move to enable him to eliminate certain members of Cabinet and that Shah will request him to form a new government in next few days. Soheily has been talking of a reorganization for months but has apparently been unable persuade men concerned to resign.

FORD

⁶²The Peace Conference of 1919.

891.002/391 : Telegram

The Chargé in Iran (Ford) to the Secretary of State

TEHRAN, December 16, 1943.

[Received December 16—5:30 p. m.]

1125. Reference my 1122, December 15. Following is new Iranian Cabinet: Prime Minister Ali Soheily; Justice Seiyed Memhsen Sadr; Foreign Affairs Mohamed Saed; Finance Amanollah Ardalan; Interior Abdol Hossein Hajir; Agriculture Musa Noury Esfandiary; Education Issa Sadiq; Roads and Communications Nasrollah Entezam; Posts and Telegraphs Hamid Sayah; War Ibrahim Zand; Health Doctor Qasem Ghani; Commerce and Industry Brigadier General Ismail Shafai; Without Portfolio Mostafa Adl.

FORD

891.002/392 : Telegram

The Chargé in Iran (Ford) to the Secretary of State

TEHRAN, December 16, 1943—3 p. m.

[Received 5:45 p. m.]

1126. New Cabinet, 1125, December 16, is regarded locally as clear victory for Shah who has been able to place his own candidates in a majority of Cabinet posts. Soheily has also gained his ends and strengthened his position by eliminating the opposing elements in the previous Cabinet including Tadayyon, Ahmadi, Bader and Etebar. Tadayyon was apparently dropped because of his summary dismissal of Mayor of Tehran without consulting Soheily who is close personal friend of deposed official. Ahmadi had incurred displeasure of Shah and was regarded in Government circles as too ambitious to be left in a position of importance.

In general new Cabinet while somewhat weaker by removal of such strong personalities as Tadayyon and Ahmadi, appears to be slight improvement over old as far as both general reputation and ability to work together are concerned.

FORD

121.891/14 : Telegram

The Chargé in Iran (Ford) to the Secretary of State

TEHRAN, December 20, 1943—8 p. m.

[Received December 21—9:41 p. m.]

1131. From Hurley. Part 1. I have had prolonged conferences with the Shah; Prime Minister Soheily, Minister of Foreign Relations, Saed, Minister of the Court Ala and many other Iranians. I have also had conferences with the British and Russian representa-

tives here and with the officials in the American Legation and all American advisors.

The Shah and his Minister of Foreign Relations and his Minister of State have advised me that they desire to create a closer commercial relationship with the United States. Yesterday the Prime Minister, Mr. Soheily, discussed with me means by which the commercial relationship between the United States and Iran could be strengthened and made more active.

Mr. Soheily also showed me a request which he had received from Mr. Carl Eisen, of the Metal and Ore Corporation, Woolworth Building, New York, who gave among other references the Chase National Bank of New York and First National Bank Boston. Mr. Eisen said he wished his engineers to enter Iran for the purpose of getting concessions on six different mines giving the general location of each mine. He also said that he desired to obtain concessions for other mines producing such metals as chrome, lead, copper, zinc, silver, nickel, cobalt, mercury, wolfram, emery, molybdenum.

Mr. Eisen said that his associate and vice president Mr. J. J. Haesler is now in Rio de Janeiro, Brazil purchasing strategic metals for the United States Government. On the return of Mr. Haesler Mr. Eisen desires to send him to Iran. He mentions the names of other engineers whom he desires to send to Iran.

The Prime Minister told me that he was anxious to have American businessmen enter all Iranian fields of enterprise and stated that he is inclined to permit Eisen to send his engineers and other company representatives to Iran but he wished to know the character and financial responsibility of the company before granting the permit. High financial standing is not mandatory, of course, if applicants have other qualities of character and responsibility.

Suggest it would be well for your department to cooperate closely with Iran Government and scrutinize character and responsibility citizenship and other qualifications of all persons and concerns desiring enter Iran field. Iran is now anxious for Americans to open business relations here but this attitude towards United States could be injured if we permitted shoestring promoters and exploiters to enter as first Americans to arrive on ground. Under new conditions, there will no doubt be a great rush on part of United States businessmen to get oil, in East and other concessions in Iran. Department in my opinion should, with assistance of other agencies of Government, be able to advise Iran definitely about character and qualifications of every applicant for a concession.⁶³

⁶³ For correspondence regarding the attitude of the Department of State toward American applicants for oil concessions in Iran, see pp. 625 ff.

Prime Minister is now awaiting a report on Metal and Ore Corporation and Mr. Eisen, its president, before granting them a permit to send its engineers and other officials to Iran. This information for Prime Minister should be sent direct to this Legation or sent to Iran Legation in Washington.

Part 2. Iranians are convinced the President procured for [*sic*] three power declaration on Iran. While here President advised but me [*sic*] of his idea of basic relationship to be established United States and Iran. I have prepared tentative plan for this relationship which, when revised and approved by you, may become criterion for our relations not only with Iran but all less favored and liberated nations.

In view of your directive to me I am presuming President desires you to have a copy of this report. I am therefore sending report to President and copy to you.⁶⁴

While in conference with Soheily yesterday he said it was his Government's [desire?] to conclude early as possible the agreement regarding presence of United States troops now pending.⁶⁵ [Hurley.]

FORD

123 Hurley, Patrick J./126½

General Patrick J. Hurley, Personal Representative of President Roosevelt in Iran, to the Secretary of State

TEHRAN, 21 December 1943.

DEAR MR. SECRETARY: I have written a letter to the President dated at Tehran, December 21, 1943,⁶⁶ copy of which I am enclosing to you herewith. This letter is written in response to a suggestion made by the President to me and the directive which I received from you under date of November 19, 1943.⁶⁷

While in Iran I worked with the President and the officials accompanying him and with your legation on the preparation of the draft of the three power declaration pertaining to Iran which was adopted by the conference. I have conferred with Iranian, British and Soviet officials, the heads of our various agencies in Iran, and the Commanding General of our troops in Iran and many of his officers. I believe I have eliminated some discords. The report I am submitting is not intended to detail all issues here but is intended to be helpful to you in formulating a general policy.

Respectfully,

PATRICK J. HURLEY

⁶⁴ See *infra*.

⁶⁵ For correspondence regarding this subject, see pp. 453 ff.

⁶⁶ *Infra*.

⁶⁷ Telegram No. 1777, p. 410.

891.00/3037

*General Patrick J. Hurley, Personal Representative of President Roosevelt in Iran, to the President*⁶⁸

TEHRAN, 21 December, 1943.

DEAR MR. PRESIDENT: On your departure from Tehran you outlined to me, during our conversation at the airport, a tentative basis for American policy in Iran which might be used as a pattern for our relations with all less favored associate nations. In response to your suggestion and the directive which I received from the Secretary of State, I wish to submit the following for your consideration.

PART I

It is the purpose of the United States to sustain Iran as a free, independent nation and to afford the Iranian people an opportunity to enjoy the rights of man as set forth in the Constitution of the United States and to participate in the fulfillment of the principles of the Atlantic Charter.

The policy of the United States toward Iran, therefore, is to assist in the creation in Iran of a government based upon the consent of the governed and of a system of free enterprise which will enable that nation to develop its resources primarily for the benefit of its own people. Iranian resources are adequate to sustain a program to help Iran to help herself. By this program of self-government and well directed self-help Iran can achieve for herself the fulfillment of the principles of justice, freedom of conscience, freedom of the press, freedom of speech, freedom from want, equality of opportunity, and to a degree freedom from fear.

To accomplish the above, the United States will furnish, upon invitation of the Iranian Government, expert advisors in any or all of

⁶⁸ In a memorandum of January 12, 1944, President Roosevelt wrote to the Secretary of State:

"Enclosed is a very interesting letter from Pat Hurley. It is in general along the lines of my talk with him.

"Iran is definitely a very, very backward nation. It consists really of a series of tribes and 99% of the population is, in effect, in bondage to the other 1%. The 99% do not own their land and cannot keep their own production or convert it into money or property.

"I was rather thrilled with the idea of using Iran as an example of what we could do by an unselfish American policy. We could not take on a more difficult nation than Iran. I would like, however, to have a try at it. The real difficulty is to get the right kind of American experts who would be loyal to their ideals, not fight among themselves and be absolutely honest financially.

"If we could get this policy started, it would become permanent if it succeeded as we hope during the first five or ten years. And incidentally, the whole experiment need cost the taxpayers of the United States very little money.

"Would you let me know what you think I should reply to Hurley? He is right that the whole Lend-Lease Administration should take complete control of the distribution of our own Lend-Lease supplies in the Middle East."

(891.00/3037)

the fields of government. All experts and advisors furnished to Iran by the United States will be paid by the Iranian Government and implemented in their operations by authority of Iranian law, and will not be a financial responsibility of the American taxpayer. The United States will not ask or receive any special privileges for these services.

American advisors will be fully indoctrinated in the policy of our own government toward Iran and shall make regular progress reports to our State Department. This indoctrination and requirement of reporting will provide a vital element of coordination which is essential to direction of our policy and protection of our interests.

Modern history of this country shows it to have been dominated by a powerful and greedy minority. The people have also been subjected to foreign exploitation and monopoly. In extending American assistance to the building of an improved society in Iran there must be imposed a sufficient degree of supervision and control over free enterprise and personal aggression to protect the unorganized and inarticulate majority from foreign and domestic monopoly and oppression.

Inauguration in Iran of the American pattern of self-government and free enterprise will be an assurance that proceeds from development of Iranian resources will be directed substantially to the building of schools, hospitals, sanitary systems, transportation and communication systems, irrigation systems and improvement of all facilities contributing to the health, happiness and general welfare of the Iranian people.

This plan of nation building may be improved through our experience in Iran and may become the criterion for the relations of the United States toward all the nations which are now suffering from the evils of greedy minorities, monopolies, aggression and imperialism.

The American people, single-mindedly devoted to independence and liberty, are fighting today not to save the imperialisms of other nations nor to create an imperialism of our own but rather to bestow upon the world the benevolent principles of the Atlantic Charter and the Four Freedoms.^{68a}

PART II

The foregoing is a rather simple plan designed to promote the building of free nations. The job that confronts us is not an easy one. The success of the recent conferences in Moscow, Cairo and Tehran indicates that the major powers can cooperate in the prosecution of the war. The reaffirmation of the Atlantic Charter indicates that

^{68a} Enunciated by President Roosevelt in his State of the Union Message, January 6, 1941, *Congressional Record*, vol. 87, pt. 1, pp. 44, 46.

there is a basis for postwar cooperation. Notwithstanding these evidences of good will I think that now is the time for us to attempt to analyse the opposition that the building of free nations will be likely to encounter.

Without any opposition from other nations and with the cooperation and support of the intelligent and patriotic leaders of Iran it will take generations to achieve in Iran free enterprise and a government based on the consent of the governed. The population of Iran is approximately 90% illiterate and it is composed, to a large extent, of disorganized and separated tribes. The intelligence and vigilance which will support liberty of the masses must be created. The education of the tribesmen and the establishment of a unity of purpose will require time, patience, diligence, efficiency, and a crusading spirit on the part of our advisors. Above all, the advisors must have the continuous support of the American people which in itself may be difficult to assure.

In addition to the obstacles within Iran, the principles of the above formula are in conflict with the principles of imperialism. Free enterprise may also come in conflict with any forced expansion of communism. Advocates of both of these doctrines may resist the proposed spreading of democracy.

In all the nations I have visited, I have been told, usually by British and Americans, that the principles of imperialism already have succumbed to the principles of democracy. From my own observations, however, I must say that if imperialism is dead, it seems very reluctant to lie down.

Woodrow Wilson's policy for America in the first world war was designed "To make the world safe for democracy" and to sustain Britain as a first-class world power. Sustaining Britain as a first-class power has for many years been the cornerstone of America's foreign policy. Personally I have supported that policy. I have long believed and have many times stated publicly that the ultimate destiny of the English-speaking peoples is a single destiny.

We did sustain Britain in the first world war as a first-class power but we did not succeed in making the world "safe for democracy". Instead, when we backed away from the League of Nations and failed to make the peace terms an instrument of democracy, we made the world safe for imperialism. In the quarter of a century which has intervened the processes of both eastern and western imperialism set the stage for this new world war.

An effort to establish true freedom among the less favored nations, so many of which are under the present shadow of imperialism, will almost inevitably run counter to the policy of sustaining Britain as

a first-class world power. This leads us to the conclusion that Britain today is confronted by the same condition that confronted our nation when Lincoln at Gettysburg said "That this nation, under God, shall have a new birth of freedom". Britain can be sustained as a first-class power but to warrant this support from the American people she must accept the principles of liberty and democracy and discard the principles of oppressive imperialism.

Soviet Russia has earned for herself an assured place as a first-class world power. Friendship and cooperation between the United States and the U.S.S.R. are essential to peace and harmony in the postwar world. There must, therefore, be a mutual understanding and acceptance of the postwar patterns for freedom which the great powers among the United Nations are to offer to their less powerful associates. Without such agreement there would be jealousy, suspicion and conflict.

PART III

In considering the present status of relations between Iran and the United States it must be remembered that although American troops have been here more than a year their presence has not yet been officially recognized by the Iranian Government. Many Iranian officials believe that American troops are in Iran on the invitation and for the purpose of serving as an instrumentality of Britain. For a year or more we have had under negotiation with Iran a treaty wherein Iran would recognize the presence of American troops as an American operation. The ineffective presentation of the treaty has not been helpful to American prestige with the Iranians.

It is the responsibility of the State Department to effect the consummation of the treaty. The necessity for promptness in the negotiation of this agreement was pointed out by me in my report to you of May 13, 1943. I have not personally participated in any of the treaty conferences with the Iranians.

I think it important that we understand that since our troops entered Iran on the invitation of the British, without advance notice to the Government of Iran, it was natural for the Iranians to look upon us as a British instrumentality. In addition to this the United Kingdom Commercial Corporation which was first engaged in preclusive purchasing in Iran has since been selling American lend-lease supplies to civilians and to the Government of Iran. Largely through our lend-lease supplies, paid for by the American taxpayer, the United Kingdom Commercial Corporation has been attempting and, to a considerable degree, succeeding in establishing a complete trade monopoly in Iran. The United Kingdom Commercial Corporation achieved this position by virtue of being on the scene when American lend-lease supplies began entering Iran. United States represent-

atives in Iran engaged the British Corporation, government-owned but profit-making, to serve as handling agent and middleman for the American goods. This arrangement, which evidently had the approval of the Lend-Lease Administration and the State Department, has been profitable to the British Corporation.

There has been a United States Commercial Corporation, government-owned, with offices in Tehran. When I was here a year ago, Mr. Philip Kidd was in charge of the corporation. Later Mr. Erik Erikson was in charge. If we were going to enter the commercial field with lend-lease goods, I do not know why we did not use our own corporation instead of the British Corporation. I refer again to my report to you on Iran dated at Cairo, May 13, 1943 and my report on lend-lease in the Middle East dated at Delhi, November 7, 1943.⁸⁹ Your Minister, Mr. Landis, has made great improvement in the administration of lend-lease in the Middle East. Notwithstanding this I am still of the opinion that the present debate between the Americans and British on lend-lease will be ended only when America has taken complete control of the distribution of our own lend-lease supplies in this area.

The Iranians believe that the postwar monopoly plans of the United Kingdom Commercial Corporation now have the support of the United States Government.

In addition to all this there have been conflicts between the British and American Ministries that have been evident to the Iranians. This situation has been damaging to both American and British prestige. To offset this impression the Iranians have witnessed the efficiency of the American operations of railroad and road transportation in passing war supplies to Russia. Finally they have been deeply impressed by your masterful handling of the three-power conference and especially by your skill in procuring from the conference the declaration of policy of the United Nations toward Iran.

Meanwhile, Soviet prestige has benefited from their own well ordered conduct and by their direct and positive relations with the Iranians.

PART IV

In a conversation with his Majesty, the Shah and certain of his ministers a few days ago, I was informed that from one source or another the tribesmen in the outlying provinces of Iran have acquired at least 50,000 rifles and ammunition. This the Shah thought made it imperative that our advisors to the Iranian Army and to the Iranian Police Force hasten the organization of the forces for security against internal disorder. He stated that certain foreign influences are being

⁸⁹ Report of November 7 not printed.

brought to bear on the tribesmen to cause internal disorder in Iran. While on this subject I informed His Majesty that I had heard that Russia had agreed to furnish the Iranian Army with a number of tanks, rifles and airplanes. The Shah admitted that there was such an offer but how much equipment Russia would give he was unable to say. I remarked that we were furnishing Russia equipment under lend-lease because Russia did not have enough equipment for her own war necessities. His Majesty said that he understood that fact but that Russia had offered to give his government this much needed equipment. He said he had hoped to acquire the equipment from the United States but had been unable to obtain satisfactory action. In my opinion Iran is able to pay for the equipment which she needs for both her Army and her Police Force.

It is a fact, however, that Britain is furnishing lend-lease material to other nations at a time when she is being sustained in her war effort by American lend-lease. Now Russia seems to be about to embark on a similar program. Britain has been giving and now Russia is about to give our lend-lease supplies, or supplies that have been replaced or released by our lend-lease supplies, to other nations in return for concessions or to strengthen their own ideologies in the countries to which the supplies are given. The least we should demand is that we be permitted to do our own giving.

PART V

Iranian officials have expressed a desire to establish a closer commercial relationship with the United States.

Under conditions now prevailing there will no doubt be a great rush on the part of American businessmen to get oil, mineral and other concessions in Iran. I suggest that the State Department, with the assistance of the other agencies of our government, should be prepared to advise the Government of Iran definitely concerning the character and other qualifications of every applicant for a concession.

PART VI

In proposing to commit you to a world-wide plan of building associated free nations, I am not unmindful of the problems that confront you on the home front.

We should, of course, consider the effect of the present and future high taxes and of the expenditure of great amounts of our economic reserve. Our greatest danger, however, lies in the creation of a stupendous bonded indebtedness. If the war and our postwar reconstruction and rehabilitation commitments continue for a long period this indebtedness may become so overwhelming that it will create

hopelessness, lethargy and despondency on the part of the world's freest and most resourceful people. We may again have soldiers being mustered out to disillusionment and unemployment. We may again have people shouting that "We can't eat the Constitution". They may even add to the non-edibles the Atlantic Charter and the Four Freedoms. This might lead to panic, bankruptcy and revolution. It is needless to add that if anything of this nature occurred at home, all our plans for the future of the world would be futile. Tyranny and oppressive imperialism would again be dominant.

I think the broader aspects of your world diplomacy are now in excellent form. But we can damage that position if we fail to be realistic in whipping the details into conformity with your general plan.

Respectfully yours,

PATRICK J. HURLEY

891.00/2042g

Memorandum of Conversation, by Mr. Harold Shantz of the Division of Near Eastern Affairs

[WASHINGTON,] December 21, 1943.

I told Colonel Harry McBride⁷⁰ about the desire of the Iranian Government to have us support them in getting the British and Russian troops out of Iran, and I asked him to sound out the War Department.

He telephoned later and said that the War Department has no interest in having the British and Russians get out. They therefore would like us take no steps in that direction. He said it was mainly a question of manpower.

H[AROLD] S[HANTZ]

891.00/2095

The Chargé in Iran (Ford) to the Secretary of State

No. 771

TEHRAN, December 29, 1943.

[Received January 14, 1944.]

SIR: I have the honor to refer to the Department's instruction No. 293 of December 2, 1943 transmitting two memoranda of conversations regarding the desire of the Iranian Government to have foreign troops withdrawn from Iran at an early date.⁷¹ It is noted that the Iranian Minister has put forward the view of his Govern-

⁷⁰ Of the War Department.

⁷¹ Instruction No. 293 not printed; for memoranda of conversations, dated November 4 and November 19, see pp. 405 and 411, respectively.

ment that conditions have radically changed since the conclusion of the Tripartite Treaty of January 29, 1943 [1942] and that the evacuation of the Allied troops should not be postponed until after the end of the war, for the following reasons:

- (a) All Axis agents have been eliminated from Iran.
- (b) There is no longer any threat of an enemy invasion of Iran.
- (c) Iran has joined the United Nations.

I assume that the Iranian Government really has in mind only the withdrawal of British and Soviet combat troops, since there are no American combat forces in Iran and the presence of American, British or Soviet technical units for operating purposes will obviously be necessary so long as this country continues to be used as a major route for the transport of supplies to the U. S. S. R.

The Legation has informally and confidentially consulted on this subject General Ridley, Colonel Schwarzkopf and General Scott (chief of staff to General Connolly, who is away). Their views, which they do not wish attributed to them in any way, and those of Colonel Baker, the Legation's Military Attaché, are, in composite summary:

(1) It is highly improbable that all dangerous Axis agents have been eliminated from Iran.

(2) The tribes continue to constitute a threat to the security of the supply line, and the presence of foreign troops undoubtedly exercises a deterrent effect upon them.

(3) The Iranian Army and *Gendarmerie* are not yet in a position to cope with the tribes unassisted and probably will not be able to do so for some time to come.

(4) The Persian Gulf Command and the American advisers to the Iranian Army and *Gendarmerie* prefer to have the existing arrangement maintained, whereby the British Army is responsible for security in the south and the Soviet Army in the north.

I do not think that one need be a military expert to agree with the foregoing. It is quite clear that the Iranian military forces are for the time being incapable of dealing with restive tribes, such as the Qashqai and the Kurds, and I think the same may be said of the police forces vis-à-vis individual Axis agents. One cannot, of course, say definitely that hostile activities of the tribes and agents would increase if foreign troops were not on hand, but it seems probable. In any case, the danger exists. There is a further, more remote, possibility that the withdrawal of Allied forces would open the way to general disturbances in the nature of revolution, expressing the widespread dissatisfaction of the Iranian people with the present government and social system.

Respectfully yours,

RICHARD FORD

**ADHERENCE BY IRAN TO THE UNITED NATIONS DECLARATION;
DECLARATION OF WAR BY IRAN ON GERMANY**

740.0011 European War, 1939/26691 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, December 23, 1942—noon.

[Received 8:53 p. m.]

458. My 341, October 25.⁷² Foreign Minister informs me both he and Prime Minister strongly desire to have Iran adhere to United Nations Declaration.⁷³ He stated that they are working on public opinion in order to prepare for such a step which they hope can be taken within several months.

DREYFUS

740.0011 European War 1939/26691 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, January 5, 1943—10 p. m.

10. Your 458, December 23 noon, regarding possible adherence of Iran to United Nations Declaration. If you should be questioned on this subject, please refer to Department's instruction No. 79 of March 30, 1942.⁷⁴

For your information, negotiations are proceeding for the adherence of Iraq to the Declaration.⁷⁵

HULL

740.0011 European War 1939/27700 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, January 30, 1943—10 p. m.

57. Minister of Iran ⁷⁶ inquired on January 26 concerning conditions for adherence to United Nations Declaration of January 1, 1942. He was answered informally to the effect that a nation did not become eligible to adhere merely by severance of relations with Axis powers;

⁷² Not printed.

⁷³ Signed at Washington, January 1, 1942, *Foreign Relations*, 1942, vol. I, p. 25.

⁷⁴ Not printed; it said in part:

"In order that other governments might associate themselves with the twenty-six United Nations, there is a provision in the final paragraph of the Declaration that it may be adhered to by other nations which are, or which may be, rendering material assistance and contributions in the struggle for victory over Hitlerism. This Government, as the depository for the Declaration, considers that any generally recognized nation which is 'at war' with any of the common enemies and which is, or may be, 'rendering material assistance and contributions' becomes eligible for adherence to the Declaration. In any such instance this Government will accept an adherence to be deposited with the original Declaration." (740.0011 European War 1939/20712k)

⁷⁵ For correspondence on this subject, see pp. 636 ff.

⁷⁶ Mohammed Shayesteh.

that a nation would have to be at war in order to "make a separate armistice or peace with the enemies"; that a nation became eligible to adhere if "at war" with one or more of Axis powers; that there appeared to be no difference between obligations of adherents and original signatories.

HULL

811.24591/11½ : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, June 26, 1943—2 p. m.

305. Your 642, June 21, 11 a. m.,⁷⁷ last paragraph. Iranian Minister inquired informally on June 16 and 18 regarding possible adherence of Iran to United Nations Declaration. He was informed that Iran was now fulfilling one requirement for adherence by "rendering material assistance and contributions" but had not fulfilled the other requirement of being "at war"; that the decision regarding adherence was one to be made by Iran; that we could not advise as to the course Iran should take. The Minister was further informed that the requirement for a nation to be at war before it can adhere to the Declaration could not be waived by the United States alone; that the requirement could be changed only by the United Nations as a whole. (See Department's 57 of January 30.)

Above is for your information and guidance.

HULL

740.0011 European War 1939/30323½ : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, July 5, 1943—11 p. m.

[Received July 7—10:29 a. m.]

694. Department's 305, June 26. British Minister, Soviet Chargé, and [myself?] were summoned to Foreign Office today at 11 a. m. to hear views of Iranian Government on question of possible adherence of Iran to United Nations Declaration. Iranian officials present were Prime and Foreign Ministers⁷⁸ and Minister of Posts.⁷⁹ Last mentioned, who was probably representing Shah since he is one of Government officials closest to Shah, read a memorandum along following lines:

Begin summary. Present Government since its formation has been considering advantage for Iran of giving additional proof of Iran's devotion to Allied cause and of demonstrating yet again country's desire for sincere cooperation by making a new gesture. This gesture

⁷⁷ *Post*, p. 469.

⁷⁸ Ali Soheily and Mohammad Saed, respectively.

⁷⁹ Nasrollah Entezam.

should, in Cabinet's opinion, be Iranian adherence to United Nations Declaration. Such a move has been under consideration since time of Willkie's visit⁸⁰ but a propitious moment was not found because the Government, preoccupied by internal questions and faced with famine and epidemic, did not have sufficient strength to take such decisive action in matters of foreign relations. Now that these internal questions have been for the moment resolved the Government feels able to take up the idea again and work for its realization. However, it is essential that public opinion and above all the members of the Majlis be prepared for the step if it is to succeed.

Before approaching the Majlis on the subject the Government would like to be in a position to explain to the Deputies exactly what additional obligations would be entailed and what advantages and guarantees would accrue to Iran by such adherence. Iranian Government therefore requests representatives of the Three Powers to obtain clarification from their respective Governments of the following points:

1. In adhering to United Nation's Declaration what new economic or military obligations would Iran assume.

2. What new advantages, present and future, would such adhesion bring to Iran.

3. What would be the position of Iran at the peace conference? Would Iran be admitted and treated like other Allied nations and be permitted to participate in all discussions? *End summary.*

Foreign Minister stated that since his country has already contributed more toward Allied cause than many signatory powers the Government feels Iran should not in any way be placed in an inferior position. I made it clear to the Iranian officials that the essential prerequisite to adhesion was declaration of war on one of Axis Powers. Department is requested to furnish as soon as possible such clarification of the points enumerated above as will enable Iranian Government to explain position to the Majlis. Department is also requested to outline the procedure to be followed in making formal adherence to the Declaration.

DREYFUS

740.0011 European War 1939/30142a : Telegram

*The Secretary of State to the Ambassador in the United Kingdom (Winant)*⁸¹

WASHINGTON, July 8, 1943—6 p. m.

4152. We have a telegram of July 5 from our Minister in Tehran⁸² regarding possible adherence of Iran to United Nations Declaration.

⁸⁰ Wendell Willkie, Republican Presidential candidate in 1940, was on a visit to Africa, the Middle East, the Soviet Union, and China, with President Roosevelt's approval, during September and October 1942.

⁸¹ Sent also to the Ambassador in China (No. 876) and to the Ambassador in the Soviet Union (No. 285).

⁸² *Supra.*

Minister reports that Iran desires views of United States, British, and Soviet Governments on (1) what new military or economic obligations Iran would assume in adhering, (2) what new advantages to Iran would result from adherence, and (3) what would be Iran's position at the "peace conference".

This Government proposes to reply that as Iran is rendering "material assistance and contributions" within the meaning of the Declaration, Iran would become eligible for adherence upon entering into a state of war with one or more of Axis powers; that adherence of itself would not mean that Iran would assume new military or economic obligations; that advantages accruing to Iran from adherence would be those obviously resulting from full and formal partnership with thirty-two United Nations in their struggle against "forces seeking to subjugate the world"; that by the terms of the Declaration it is clear that the parties to it will participate in peace settlement.

Please ascertain view of Foreign Office on proposed reply to Iran.

HULL

740.0011 European War 1939/30401 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, July 27, 1943—3 p. m.

[Received July 28—1:37 p. m.]

779. My 694, July 5. Prime Minister has asked me to urge Department to make early and favorable reply to subject of Iran's adherence to United Nations Declarations. He expressed regret that Iran had not been able to enter the war before the fall of Mussolini⁸³ since Iranians desire to avoid giving impression that they have deliberately waited until defeat of Axis seemed assured beyond question. The delay in taking this step he again stated has been caused by necessity of preparing public opinion which had naturally been extremely hostile to British and Russians because of invasion of Iran. He added that the procedure of requesting statement from Allied Government before declaring war was resorted to only because a favorable statement from the American Government would be invaluable in assisting government to obtain Majlis approval.

DREYFUS

⁸³ Benito Mussolini, Italian chief of government; for correspondence on the surrender of Italy, see vol. II, pp. 314 ff.

740.0011 European War 1939/30401 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, July 29, 1943—9 p. m.

379. Your 779, July 27. You may tell Prime Minister that because of nature of questions put by Iran regarding adherence to United Nations Declaration we have considered it advisable before replying to consult other United Nations concerned. We are endeavoring in every way to expedite their replies, appreciating as we do the considerations set forth by the Prime Minister.

HULL

740.0011 European War 1939/30758a : Telegram

*The Secretary of State to the Ambassador in the United Kingdom (Winant)*⁸⁴

WASHINGTON, August 14, 1943—7 p. m.

4939. Department's 4152, July 8, 6 p. m. After having obtained views of British, Chinese, and Soviet Governments we propose to instruct our Minister to deliver to Iranian Government a note to following effect:

"Referring to recent conversations on the proposed adherence of Iran to the Declaration by United Nations, my Government is of the view that (1) Iran will become eligible for adherence upon entering into a state of war with one or more of the Axis powers; (2) adherence of itself would not mean that Iran would assume new military or economic obligations although it is hoped that Iran thereafter would take the most active possible measures within Iran in rendering material assistance and contributions in the struggle for victory over Hitlerism; (3) the advantages accruing to Iran from adherence would be those obviously resulting from full and formal partnership with 32 United Nations in this struggle; (4) upon subscribing to the Declaration Iran would have equal rights with other United Nations to participate at appropriate conferences concerned with the peace settlement."

Please ascertain at once the views of Foreign Office on this proposed reply to Iran.

HULL

⁸⁴ Sent also to the Ambassador in China (No. 1109) and to the Ambassador in the Soviet Union (No. 690).

033.9111/8 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, August 16, 1943—4 p. m.
[Received August 17—11:50 a. m.]

847. Foreign Minister summoned me to his office yesterday to inform me that Prime Minister is anxious to proceed immediately to the United States to discuss and settle with appropriate United States authorities important questions now pending. He won't, however, undertake this trip without invitation from United States Government. He would be armed with full powers to sign Iran's adherence to United Nations Declaration. Should he make trip, Soheily would probably be accompanied by Minister of Posts Entezam and Allah Yar Saleh.⁸⁵

In view of chaotic political situation, I asked Foreign Minister what assurance Soheily had that he would still be Prime Minister upon his return to Iran and was told that under existing laws, it would not be possible to change Government while the Prime Minister is abroad. He also stated that the question of Majlis' approval of Iran's adherence to United Nations Declaration could and would be taken care of by Cabinet officers remaining.

This move would appear to be a bid by Soheily to strengthen his tottering position by a spectacular and successful journey to Washington to align his country officially on the side of the Allied powers.

Foreign Minister also told me in strict confidence that Soheily might return to Iran via London for similar discussions with British officials and that British have not been consulted concerning the contemplated visits.

I perceive no objection to projected trip in as much as Soheily is Prime Minister of a friendly power who has signified his desire to proceed to Washington to arrange for his country's entry into the war on our side.

DREYFUS

740.0011 European War 1939/30759 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, August 20, 1943.
[Received August 20—6:15 a. m.]

Department's 4939, August 14, 7 p. m. Foreign Office states British Government agrees to terms of proposed communication to Govern-

⁸⁵ Minister of Finance.

ment of Iran and that British Minister at Tehran is being instructed to inform American Minister of this and to draft his reply to the Iranian Government in the same sense.

WINANT

740.0011 European War 1939/30816 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, August 21, 1943—3 p. m.

[Received 6 p. m.]

868. I have been embarrassed in my relations with the Prime Minister by the Department's failure to reply on the matter of the United Nations Declaration (see Department's 379, July 29) and on question of agreement on presence of American forces in Iran (see my 710, July 10⁸⁶). Prime Minister in addition to feeling that the American Government is showing little interest in matters so closely affecting Iran, is handicapped in his delicate relations with the Majlis by delay in these two matters.

Both British Minister and Soviet Chargé have received favorable replies from their Governments on United Nations Declarations but are awaiting the American answer before replying to Iranian Government. Incidentally British and Chinese Ministers have long since received alleged drafts of the American reply to Iran although this Legation has not.

DREYFUS

033.9111/8 : Telegram

The Acting Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, August 21, 1943—10 p. m.

432. Your 847, August 16, 4 p. m. The Department would prefer to postpone consideration of the proposed visit of the Prime Minister to the United States until the question of Iran's adherence to the United Nations declaration is definitely decided. It is hoped that this may be settled in very near future.

We would also like to know more about what the Prime Minister hopes to accomplish by making this visit, since it is thought the trip would be advisable only if its success were reasonably assured in advance.

WELLES

⁸⁶ *Post*, p. 469.

740.0011 European War 1939/30932b : Telegram

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

WASHINGTON, August 26, 1943—5 p. m.

748. Not having received a reply to our 690, August 14, 7 p. m.,⁸⁷ regarding proposed adherence of Iran to United Nations Declaration, we have instructed our Minister to deliver note set out in our 690 after having ascertained that his Soviet and British colleagues have similar instructions.

HULL

740.0011 European War 1939/30932a : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, August 26, 1943—6 p. m.

438. After having ascertained that your British and Soviet colleagues have similar instructions, please deliver to Iranian Government a note reading textually as follows:⁸⁸

“I refer to recent conversations on the question of adherence of Iran to the Declaration by United Nations of January 1, 1942.

“It is the view of my Government that (1) when the Iranian Government enters into a state of war with any of the Axis powers, Iran will become eligible for adherence; (2) adherence in itself would not mean the assumption by Iran of new economic or military obligations although it is hoped that the Iranian Government thereafter would take the most energetic possible measures within Iran to render material assistance and contributions in the war for victory over Hitlerism; (3) Iran’s advantages from adherence would be those which obviously would result from formal and full partnership with 32 United Nations in this war; (4) upon adhering to the Declaration Iran would have equal rights with the other United Nations to take part in appropriate conferences which deal with the peace settlement.”

For form of communication of adherence to United Nations Declaration see Iraqi note⁸⁹ in radio bulletin of January 22, 1943. Signature for adherence could take place later by Iranian Minister here, or such other official as Iran might designate.

HULL

⁸⁷ See footnote 84, p. 432.

⁸⁸ The Minister in Iran reported in telegram No. 914, September 3, 1943, 3 p. m., that the Soviet Chargé had received the necessary instructions to make the Soviet note conform to the American and British drafts, and that all three notes were delivered to the Foreign Minister on that day (891.20/240).

⁸⁹ Note from the Iraqi Minister (Jawdat) to the Secretary of State, January 16, Department of State *Bulletin*, January 23, 1943, p. 83.

740.0011 European War 1939/31063 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, September 9, 1943—1 p. m.

[Received September 10—9:15 a. m.]

927. My 914, September 3.^{89a} Shah by Royal Firman signed this morning at 9:34 declared war on Germany. Medjliss later in morning approved the declaration by vote of 73 out of 77 Deputies present. Foreign Minister has requested Swiss Chargé in Tehran to request his Government to endeavor to effect departure from Germany within 30 days of all Iranians residing there. Iranian Government is instructing Minister in Washington approach Department with regard to Iran's adherence to United Nations Declaration. Summary of Prime Minister's speech in Medjliss will be telegraphed as soon as translated.

DREYFUS

[For exchange of telegrams between the Secretary of State and the Iranian Minister for Foreign Affairs concerning the declaration of war by Iran on Germany, etc., see Department of State *Bulletin*, September 18, 1943, page 180.]

740.0011 European War 1939/31206 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, September 10, 1943—1 p. m.

[Received September 17—4:15 p. m.]

931. My 927.⁹⁰ Prime Minister's statement to Medjliss is summarized as follows:

Recent events prove that Germany has incited tribes against Iranian Government, dropped parachutists to damage the railway and lines of communication, created an espionage organization, engaged in nefarious activities, and by engendering strife and revolt has endeavored to disturb public peace and security. The Iranian Government considers these acts as unlawful and hostile and deems itself justified in taking steps to put an end to this unsatisfactory state of affairs. Consequently Government after due consideration finds it necessary to declare that a state of war exists between Iran and Germany. At the same time the Government wishes to announce its agreement with the Joint Declaration of the United Nations dated January 1, 1942.

The Royal Firman dated September 9 declaring war reads as follows: "In accordance with the proposal of the Government and in

^{89a} See footnote 88, p. 435.

⁹⁰ Dated September 9, above.

conformity with Article 51 of the Constitution we declare that a state of war exists between our country and Germany from the seventeenth of Sharivar 1,322" (September 9, 1943).

DREYFUS

740.0011 European War 1939/31147a : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, September 11, 1943.

460. Adherence of Iran to the United Nations accomplished by exchange of notes between the Iranian Minister and the Secretary of State September 10.⁹¹ Texts of notes released to the press today.

HULL

NEGOTIATIONS TO SECURE SOVIET APPROVAL FOR ASSUMPTION BY THE UNITED STATES OF OPERATION OF THE SOUTHERN SECTION OF THE TRANS-IRANIAN RAILROAD⁹²

891.77/711 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, January 4, 1943—2 p. m.

[Received 10:19 p. m.]

5. My 435, December 13.⁹³ Prime Minister⁹⁴ yesterday expressed to me his concern over fact that Soviet Government has not yet given approval for the taking over by Americans of operation of southern section of Trans-Iranian Railway. Soviet consent is considered to be essential under the terms of the Tripartite Pact.⁹⁵ Soviet Ambassador⁹⁶ informs me he has taken matter up with his Government but has received no reply.

Prime Minister in view of the importance and urgency of matter has urged me to request Department's assistance in obtaining Soviet consent.

DREYFUS

⁹¹ Department of State *Bulletin*, September 11, 1943, pp. 166-167.

⁹² For correspondence relating to the understanding with the British and Iranian Governments on this subject, see *Foreign Relations*, 1942, vol. iv, pp. 311 ff.; for a study of these problems by the Department of the Army, see T. H. Vail Motter, *The Persian Corridor and Aid to Russia*, in the series *United States Army in World War II: The Middle East Theater* (Washington, Government Printing Office, 1952), chapter X.

⁹³ *Foreign Relations*, 1942, vol. iv, p. 315.

⁹⁴ Ahmad Qavam.

⁹⁵ Anglo-Soviet-Iranian treaty of alliance, signed at Tehran, January 29, 1942; for text, see Department of State *Bulletin*, March 21, 1942, p. 249, or British Cmd. 6335, Persia No. 1 (1942).

⁹⁶ A. A. Smirnov.

891.77/711 : Telegram

*The Secretary of State to the Ambassador in the Soviet Union
(Standley)* ⁹⁷

WASHINGTON, January 8, 1943—10 p. m.

16. By arrangement with British, United States Army has agreed to take over operation of Iranian railroad from Persian Gulf to Tehran and certain other transport routes and ports in southern Iran hitherto operated by British military authorities. Purpose of transfer is to expedite shipment of supplies to Russia. Iranian Government was officially notified of this plan on December 6 and expressed its agreement. However, under Anglo-Soviet-Iranian treaty of alliance Iranians feel they must have British and Russian consent. British concurrence was formally notified December 7, and Russian Ambassador Tehran is understood to have cabled his Government for instructions at that time but has received no reply.

Please take this matter up with Soviet authorities and express hope that early notification of Russian Government's position may be made to Iranians. You may say that we have understood Soviets were aware of plan and favored it.

HULL

891.77/712 : Telegram

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

Moscow, January 14, 1943—7 p. m.

[Received 9:12 p. m.]

23. Department's 16, January 8, 10 p. m. to Kuibyshev. In my conversation with Molotov ⁹⁸ on January 13, I read him a paraphrase of the first paragraph of the Department's telegram and expressed the hope that an early notification of the Soviet position in regard to the railroad transfer plan would be made to the Iranian Government. Molotov stated that the actual terms of the British-American transfer were not entirely clear to him and asked what the plan envisaged: for example, would American personnel operate the entire railroad replacing former Iranian personnel; would such personnel be military or civilian; for what term or duration would American operation be in effect; have Great Britain and the United States agreed on all details of the transfer; is the transfer plan secret or has it been made public. I stated that I was not conversant with all details of the transfer but

⁹⁷ Addressed to the Ambassador at Kuibyshev, temporary diplomatic capital of the Soviet Union. In telegram No. 17, January 8, the Department informed the Chargé in Iran of the dispatch of this telegram.

⁹⁸ V. M. Molotov, Soviet Minister for Foreign Affairs.

had assumed that the Soviet Ambassador in Tehran had been fully informed and had advised his Government accordingly. This, however, does not appear to be the case.

Although I carefully explained that the main reason for the transfer was for the express purpose of increasing and expediting the shipment of supplies to Russia, I received the impression that Molotov was, to a certain degree suspicious of the real motives of the American Government in taking over the operation of the Persian Gulf-Tehran railroad.

It would be helpful to me in allaying any such doubts which Molotov might entertain if the Department would advise me in full of the terms of the railroad transfer and inform me whether I may pass on this information to Molotov. The Department may wish to request Dreyfus⁹⁹ to obtain this information from General Connolly¹ and telegraph it to me. The British Embassy here has no detailed information regarding the transfer plan.

Molotov stated that he would look into the question of the Soviet notification and communicate again with me.

STANDLEY

891.77/712

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

WASHINGTON, January 19, 1943—9 p. m.

34. Your 23, January 14. Proposal does not involve American control over railroad, ports or highways, as British authorities will retain general direction with respect to movement of goods and related matters and will also be responsible, as hitherto, for protection of transport routes.

American Army is undertaking solely to furnish technical personnel and direction for physical operation of railroad, highway transport and certain Persian Gulf ports. This personnel will be military and will remain in Iran as long as may be necessary to fulfill United States supply commitments to Russia under the protocols. It will undoubtedly replace some Iranian employees, but it is assumed that majority of workers will continue to be Iranian.

Our undertaking has been made at specific request of British. It has not been made public.

In your discretion, you may convey substance of the foregoing to Molotov.

⁹⁹ Louis G. Dreyfus, Jr., American Minister in Iran.

¹ Maj. Gen. Donald H. Connolly, Commanding General, Persian Gulf Service Command.

For your information, War Department states American Army personnel has already begun operation of at least part of southern Iranian transport facilities.

HULL

891.77/715 : Telegram

The Chargé in Iran (Schnare) to the Secretary of State

TEHRAN, January 29, 1943—2 p. m.

[Received January 30—11:08 a. m.]

108. Department's number 17, January 8.² Soviet Ambassador informs me he has received a communication from Suow [*Moscow?*] which takes stand that Soviet Government being bound by terms of Tripartite Agreement cannot acquiesce in any such arrangement between British and American Governments until it is informed of terms of the agreement. Soviet Ambassador has similarly informed British Minister.³ It is suggested that British and American Governments take matter up directly with Soviet Government.

SCHNARE

891.77/715 : Telegram

The Secretary of State to the Chargé in Iran (Schnare) ⁴

WASHINGTON, February 4, 1943—11 p. m.

65. Your 108, January 29. By telegram to Moscow sent January 19,⁵ Department provided general information regarding purpose and character of planned American operations. We think Russian Ambassador's instructions may have been sent prior to receipt of this information, and we are asking Moscow to ascertain present attitude of Soviet Government.

For your confidential information, Department does not consider it our responsibility to engage in negotiations with Russians in connection with operation of Iranian transport routes in question. If Soviet Government is still reluctant to give its consent, Department will request Foreign Office at London to take matter up.

HULL

² See footnote 97, p. 438.

³ Sir Reader Bullard.

⁴ The substance of this telegram, and a verbatim text of Tehran's telegram No. 108, were transmitted to the Ambassador in the Soviet Union in telegram No. 66, February 4, 11 p. m.

⁵ No. 34, p. 439.

891.77/716 : Telegram

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

KUIBYSHEV (Moscow), February 10, 1943—3 p. m.

[Received February 12—3:28 a. m.]

146. Department's 34, January 19, 9 p. m. Following my last conversation with Molotov, in which because of time limitations I did not take up the question of the operation of the Iranian railroad, I sent to him an *aide-mémoire* dated February 1, setting forth in paraphrase the information contained in the Department's telegram.

The following is a paraphrase of a note dated February 6, received from Molotov:

"The information set forth in the *aide-mémoire* dated February 1 regarding the operation of the Iranian railroad by the American Army, has been received and brought to the attention of the Soviet Government.

The Soviet Government has not yet made a decision with reference to its reply to the Iranian Government in regard to the transfer of the operations under discussion. I am sending you herewith an *aide-mémoire* containing certain observations in regard to this matter as preliminary information.["]

The following is a paraphrase in translation of the enclosed *aide-mémoire*:

"The Iranian Foreign Office submitted to the Soviet Government on December 12, 1942, through Ambassador Smirnov, a proposal for an exchange of notes which would affirm the agreement of the Iranian and Soviet Governments that the sections of the Iranian railroad, highways, and ports which have been administered with the assistance of English experts and officers in accordance with the Treaty of Alliance shall be administered by American experts and officers from now on. Reference was made in the text of the note to the agreement reached on this matter between the United States and Great Britain. No official information whatsoever has been received by the Soviet Government from the British Government regarding the terms and character of the agreement reached.

Up to the present time it is well known that Soviet and British authorities have exercised control over the communications in Iran in accordance with the Treaty of Alliance on January 29, 1942 between Iran, the USSR and Great Britain. Conversations were held at one time between British and Soviet representatives over various concrete questions concerning the organization of the exploitation and control of the Iranian railroad. An understanding was reached as a result of these conversations on a series of points for example on the formation of a mixed British-Soviet-Iranian Transportation Commission, on the payment of fees for freight in transit, as well as with reference to other questions. Although no final decision was made the point of view of the Soviet Government was nevertheless set forth with reference to the delimitation of spheres of control over

the railroad, as well as regarding priorities for shipments of freight, et cetera. How much consideration was given in the Anglo-American agreement to the above mentioned understanding between the British and Soviet representatives concerning organization of the control and exploitation of the railroad would like to be known by the Soviet Government. The Soviet Government would also like to know how much consideration was given to the necessity of coming to an understanding on the questions which remain outstanding.

Mention is made in the text of the exchange of notes proposed by the Government of Iran of the transfer to the representative of the United States of those rights and functions which under article 3 of the Soviet-British-Iranian treaty were granted to the British authorities. Therefore as a signatory of this treaty, the Soviet Government did not consider it possible, pending the receipt from the British Government of official explanations and proposals, to give any reply whatsoever to the Government of Iran. Consequently, Smirnov was instructed to communicate with Mr. Bullard for the purpose of obtaining the pertinent information. Mr. Bullard expressed his astonishment, in reply to Mr. Smirnov's representations, that the British or the American Governments had not officially informed the Soviet Government in due course. The British Minister furthermore promised to make inquiries of his Government in the premises and to inform the Soviet Ambassador of its reply.

The Soviet Government will make known to the Iranian Government its point of view on the question upon the receipt of the pertinent information from the British Government.["]

STANDLEY

891.77/718 : Telegram

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

KUIBYSHEV (MOSCOW), February 12, 1943—4 p. m.

[Received 8:15 p. m.]

154. Department's 66, February 4, 11 p. m. to Moscow.⁶ The Iranian Ambassador called on me on February 9 by appointment. He said that he had been informed that I had discussed the Iranian railway question with Molotov and inquired as to Molotov's reactions. I briefly outlined the steps I had taken and stated that Molotov had maintained that under the terms of the Tripartite Alliance the Soviet Government should have been informed in advance of the transfer and the terms thereof. The Ambassador stated that the transfer was a purely internal question and that his Government was not obligated to inform the Soviet Government regarding it. However, he stated that he had been advised by the Soviet Government that no reply would be made regarding the Soviet position with respect to the transfer pending clarification of its terms.

⁶ See footnote 4, p. 440.

The Ambassador strongly recommended on several occasions that the operation of the entire Trans-Iranian Railroad, as well as all the other railroads in Iran, be placed under the control of the United States authorities. He stated that he had recommended such a transfer to his Government and had been informed that the present moment was not considered feasible for such a move.

STANDLEY

891.77/716 : Telegram

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

WASHINGTON, February 20, 1943—4 p. m.

110. Your 146, February 10. We understand from Molotov's *aide-mémoire* that British Minister Tehran has undertaken to provide Soviet Government with desired information. Accordingly, Department will take no further action at present and you should not reopen the question.

HULL

891.77/715 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, February 20, 1943—5 p. m.

93. Department's 65, February 4. By telegram no. 146, February 10, Kuibyshev transmits text of Soviet *aide-mémoire* dated February 6 regarding American operation of southern transport routes in Iran, from which it appears that British Minister Tehran has undertaken to provide Russian Ambassador with full information about Anglo-American arrangement in this connection. If this is the case, Department will take no further action at present and you should leave your British colleague to straighten out matter with Soviet Ambassador.

HULL

891.77/723

Memorandum by Mr. Kermit Roosevelt, Jr., of the Office of the Assistant Secretary of State (Acheson) ⁷

[WASHINGTON,] April 7, 1943.

I talked with General Sidney Spaulding⁸ who tells me that the proposal to have American troops take over operation of the British operating section of the Iranian railroad was discussed with the Soviet people in Teheran as well as the British. Of course, at this stage of

⁷ Addressed to the Chief of the Division of Near Eastern Affairs (Alling) and to Mr. Acheson.

⁸ Brig. Gen. Sidney P. Spaulding, War Department railway expert.

the game it was still indefinite, but the Russians appeared to favor the move and were very cooperative.

General Spaulding also discussed the proposal (still at an indefinite stage) with Mikoyan, Foreign Trade Commissar, when he arrived in Moscow. Mikoyan seemed to approve our taking over from the British but gave no encouragement to the suggestion, which General Spaulding also raised, that we take over in the north as well. General Spaulding said that he would check into the records and get more explicit information on this matter.

KERMIT ROOSEVELT, JR.

891.77/724

Memorandum by Brigadier General Sidney P. Spalding to Mr. Kermit Roosevelt, Jr., of the Office of the Assistant Secretary of State (Acheson)

WASHINGTON, April 10, 1943.

Reference is made to your inquiry as to whether the Russians had been informed that the United States would take over the operation of the Iranian Railway south of Teheran, and whether they had agreed to the United States taking over the railway. The following points have a bearing on the questions raised:⁹

On August 22, 1942, the British Prime Minister sent a message to the President accepting the President's suggestion that the United States Army undertake the development, operation, and maintenance of the railroads leading from the Persian Gulf ports to Teheran. The terms under which the U. S. Army was to undertake this responsibility, approved by the Combined Chiefs of Staff on September 23, 1942, provided

(a) that the United States Army accepted the responsibility, subject to the consideration that the primary objective of the U. S. forces in this area would be to insure the uninterrupted and increased flow of supplies into Soviet Russia;

(b) that control of the railroad would be exercised by the British General Officer Commanding-in-Chief of the Persia/Iraq Command;

(c) that the Commanding General, U. S. Persian Gulf Service Command would develop, operate and maintain the railroads to Teheran; and

(d) that the British General Officer Commanding-in-Chief of the Persia/Iraq Command would control, subject to review by the Combined Chiefs of Staff, priority of traffic and allocation of freight.

⁹ See also T. H. Vail Motter, *The Persian Corridor and Aid to Russia*, in the series *United States Army in World War II: The Middle East Theater* (Washington, Government Printing Office, 1952), pp. 180-190, *passim*.

During my visit to Moscow in August 1942, the matter of forwarding supplies to Russia by the Persian Corridor was discussed with Mr. Mikoyan, Commissar of Foreign Trade, and on another occasion with the additional presence of Mr. Harriman.¹⁰ The possibility that the U. S. Army might take over the operation of the railroad to Teheran was mentioned. According to my recollection, Mr. Mikoyan was apparently receptive to the idea, although non-committal. On the other hand, he definitely was not interested at that time in the United States taking over the operation of the Iranian railroad north of Teheran, then and now under Soviet operation.

On September 28, 1942, General Burns,¹¹ General Connolly (who had been designated as Commanding General, U. S. Persian Gulf Service Command), and myself visited the Soviet Ambassador for the purpose of introducing General Connolly and informing the Ambassador as to the nature of General Connolly's duties and responsibilities in Iran.

It is understood that the details of taking over the operation of the railroad were delegated to General Connolly, and if you desire further information regarding direct conversations with the Russians on this matter, I believe that General Connolly would be able to inform you definitely. He could be reached through the War Department.

S. P. SPALDING

891.77/715 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, April 13, 1943—9 p. m.

179. Department's 93, February 20. Please ask your British colleague whether competent British authorities have provided Soviets with the information which they are understood to have requested some time ago regarding arrangements for American operation of Iranian transport routes and whether British and Russian authorities have come to a specific agreement on this transfer.

We understand that Soviet authorities in Iran are working with General Connolly and have not objected to his operations south of Tehran. However, so far as Department is informed, Soviet Government has not yet indicated to Iranian Government its formal assent to such operation. This situation is causing us concern, since it leaves an opening for a possible Soviet complaint that Anglo-Soviet-Iranian treaty has been violated.

¹⁰ W. Averell Harriman, Special Representative of the President at London for Lend-Lease matters relating to the British Empire.

¹¹ Maj. Gen. James H. Burns, Senior Staff Assistant to the Lend-Lease Administrator (Stettinius), and Executive, Munitions Assignments Board (United States and Great Britain), at Washington.

As you know, and as you may inform British Minister, we consider it essential to have full understanding and collaboration in Iran between British, Soviet and American authorities. This question of transport operations seems to have disturbed Soviets and may prove a serious barrier to understanding unless clarified. You should point out to British Minister that our forces entered Iran under British auspices to undertake work in an area of British occupation. Consequently, this Government feels that the British authorities should do whatever may be necessary to arrive at a satisfactory adjustment of the matter with their Soviet allies.

Please report by telegraph.

HULL

861.24/1405a : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, April 15, 1943—midnight.

2406. As you know, American technical troops have been in Iran for some months and are now operating the Trans-Iranian railroad from Persian Gulf ports to Tehran. They are also engaged in large-scale trucking operations from the Gulf to points in northern Iran. Purpose is to expedite movement of supplies to Soviet Union. This undertaking is result of exchange of messages between President and Prime Minister Churchill in August 1942¹² and agreement approved by Combined Chiefs of Staff September 23 [22], 1942,¹³ which provides for American operation of transport routes in southern Iran but retention of over-all control by British Commander of Persia and Iraq Command.

Proposal was mentioned informally to Soviet Commissar Foreign Trade in August and again to Soviet Ambassador Washington September 28, 1942, but so far as we know Soviet Government has never indicated its definite approval. When formal notification was made to Iranian Government on December 6, 1942, Iranians expressed agreement but said that under Anglo-Soviet-Iranian Treaty of Alliance the assent of Great Britain and Russia would be necessary. British Minister immediately declared formal agreement of his Government, whereas Soviet Ambassador had no instructions. Our Ambassador Moscow was informed by Molotov in February that Soviets must have full information regarding Anglo-American agreement, including its effect upon various technical arrangements between British and Russian forces operating in Iran, before any expression

¹² See Motter, *The Middle East Theater*, p. 190.

¹³ *Ibid.*, p. 192.

of Soviet views could be made. Ambassador Standley was also told at that time that British Minister Tehran had volunteered to request the desired information from his Government.

Please ask Foreign Office whether British have been in touch with Soviets on this matter and whether Russian Government has indicated its willingness to advise Iranian Government of its formal assent to the specified American operations in Iran.

We are concerned about the delay, because Soviet attitude has indicated resentment at neglect of British or Americans to consult Russians formally before putting plan into effect. Soviet Ambassador Tehran has even implied that this neglect is reason for a lack of Soviet cooperation with American commander and American advisers in Iran. Furthermore, there is always possibility that Soviet may claim Anglo-Soviet-Iranian Treaty of Alliance has been violated.

Leaving aside any question of the justice or injustice of Soviet attitude in this case, we are anxious to avoid friction, because we consider it essential to have full understanding and collaboration between American, British and Soviet authorities in Iran. Please point this out to Foreign Office and say we fear question of American transport operations may prove serious barrier to understanding unless clarified soon. You should also point out that our forces entered Iran under British auspices to undertake work in an area of British occupation and that the British regional commander retains general control over transport as well as security. Consequently, Department feels that British authorities should do whatever may be necessary to arrive at a satisfactory adjustment of the matter with Soviets. If not already done, it would seem advisable that British Ambassador Moscow be given instructions to discuss question fully with Soviets and endeavor to allay any doubts they may have.

HULL

891.77/725 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 27, 1943—4 p. m.
[Received April 28—8:34 a. m.]

437. Department's 179, April 13. British Minister informs me that Russians here were notified at the very outset of fact of Americans taking over operation of southern section of railway. When I brought to his attention the contents of Department's above-mentioned telegram he telegraphed Foreign Office suggesting that this matter be taken up in London. He feels there is little possibility of reaching an agreement in Tehran and states "There is nothing further we can do here and matter must be settled on a higher level".

Present situation is as described in paragraph 2 of Department's 179. I agree that clarification of this matter is desirable but suggest that negotiations can best be carried on between the Russians and British in London and Moscow.

Repeated to Moscow.

DREYFUS

891.77/726 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, May 4, 1943—4 p. m.

[Received 7:50 p. m.]

460. My 437, April 27. British Minister has shown me copy of telegram in which [Foreign?] Office directs Ambassador at Moscow to inform Soviet Government that British had thought no formal notification of fact of Americans taking over operation of southern section of Trans-Iranian Railway was necessary under Tripartite Pact because Americans were not a separate command but were to operate railway as part of the British, Persia and Iraq command. Ambassador was instructed to express hope that in light of this explanation the Soviet Government would notify Iranian Government that it has no objection to American operation.

Repeated to Moscow.

DREYFUS

711.91/99

The Chargé of the Soviet Union (Gromyko) to the Secretary of State

The Chargé d'Affaires of the Union of Soviet Socialist Republics presents his compliments to the Secretary of State and has the honor to bring to the attention of the Secretary the following.

The Soviet Government takes into consideration the memorandum of the United States Government of April 3, 1943¹⁴ in regard to the aims of the American policy in Iran, handed by Mr. L. G. Dreyfus, Jr., Envoy Extraordinary and Minister Plenipotentiary of the United States of America in Teheran to Mr. A. A. Smirnov, Ambassador Extraordinary and Plenipotentiary of the Union of Soviet Socialist Republics in Teheran. The Soviet Government shares to the full the desire of the United States Government as to the necessity of maintenance of the closest contact and collaboration between the American and Soviet Representatives in Iran in the interests of joint efforts directed toward a victorious end of the present war and securing of a

¹⁴ Memorandum based on instructions contained in Department's telegram No. 153, March 31, 5 p. m., to the Minister in Iran, p. 351.

lasting peace in Iran after the war. At the same time the Soviet Government expresses readiness on its part to supply the United States Government with information on Soviet-Iranian relations and frankly and fully discuss the questions which may arise during the solution of practical tasks between the Soviet and American representatives in Iran.

In addition to that the Soviet Government deems it necessary to draw the attention of the United States Government to a certain lack of clarity which consists of the following. In the memorandum of the United States Government of April 3 it was stated that the American technical military units were stationed in Iran only to support the British military forces, and that the latter, as before, had full control over transport lines in the south of Iran, and that they also bore responsibility for their safety.

However, in the draft ¹⁵ of the agreement between the United States and Iran on the question of presence of American troops in Iran, handed by the State Department to Soviet Ambassador M. Litvinov it is provided that

“The Imperial Iranian Government, upon request, will grant to the United States of America the right to use, maintain, guard and control, in part or in their entirety, any of the means of communication within Iran, including railways, roads, rivers, aerodromes, ports, pipe lines, and telephone, telegraph and radio installations, whenever such use, maintenance, protection and control may be found advantageous for the prosecution of the war.”

Thus, in the above-mentioned two documents there is a divergence in the definition of aims and functions of American troops in Iran and their relations with the British armed forces. Having in mind the rights granted to the Soviet Union in the treaty of alliance between the U.S.S.R., Great Britain and Iran signed in Teheran on January 29, 1942 and also the agreement in principle reached by the Governments of the U.S.S.R. and Great Britain in January-February, 1942 in regard to the fact that the northern part of the transiranian railroad be controlled by the Soviet authorities, and the southern part of the railroad, accordingly, be controlled by the British authorities, the Soviet Government would like to receive in regard to this matter additional explanation and to acquaint itself to a more complete extent with the agreement reached between the American and British sides on the question of exploitation of the southern communications of Iran. Additional information on this question is considered to be important not only from the point of view of interests and rights belonging to the Soviet Union in accord-

¹⁵ *Post*, p. 459.

ance with the treaty of January 29, 1942 but also for the establishment of more expedient forms of further cooperation of Soviet British and American representatives in Iran.

WASHINGTON, May 11, 1943.

711.91/99

Memorandum by Mr. John D. Jernegan of the Division of Near Eastern Affairs

[WASHINGTON, May 13, 1943.]

The attached note¹⁶ was left with Mr. Atherton this morning (May 13) by the Soviet Chargé d'Affaires. On first reading it sounds satisfactory to me.

The alleged discrepancy between Dreyfus' *aide-mémoire* handed to the Soviet Ambassador at Tehran and the terms of the draft agreement with Iran is, of course, susceptible of easy explanation. The circumstances are exactly parallel to those which brought forth the Anglo-Soviet-Iranian Treaty of Alliance and the working agreement between Great Britain and Russia mentioned in the Soviet note. In the one case we are trying to obtain facilities to enable us to deal with any contingencies that may arise, and in the other case we are voluntarily limiting ourselves, by informal agreement with our associates, in the present use of those facilities.

I think it is quite natural, however, that the Soviets should pounce upon this point, and I suggest that we relieve their minds as soon as possible.

891.77/729 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, June 14, 1943—10 a. m.

[Received 10:18 a. m.]

617. My 460, May 4, 4 p. m. Foreign Minister informs me he has instructed Iranian Ambassador in Moscow to press Soviet Government to give formal consent to taking over of southern section of Trans-Iranian Railways by Americans. He adds that Russians have refused a request made recently by Iranian Government that Americans be permitted to take over operation of northern section of railway now under Soviet operation.

Repeated to Moscow.

DREYFUS

¹⁶ *Supra.*

711.91/106

The Chargé of the Soviet Union (Gromyko) to the Secretary of State

WASHINGTON, July 27, 1943.

SIR: I have the honor to bring to your attention that the additional information and explanations of the United States Government, as stated in the note of June 16 [15], 1943¹⁷ on the question of entrance of United States technical troops into Iran, and about the tasks of those troops, was brought to the attention of my Government, which instructed me to give you the following reply:

The Soviet Government takes into consideration the statement of the United States Government, that the technical troops of the United States Army were sent to Iran on request of the British Government, that the task of those troops is to maintain control over transport facilities in Iran under general British guidance, with the aim of increasing deliveries for the Soviet Union, and that the American Government did not desire to give the impression, that the aforesaid American troops had as their aim to support the British forces in any military sense. The Soviet Government also takes into consideration, that the status of presence of American technical troops was determined in the form of the American-Iranian Agreement. At the same time the Soviet Government understands that all rights, provided by the draft agreement between the United States and Iran, in no way affect the rights, belonging to the Soviet Union according to the Soviet-British-Iranian Treaty of Alliance of January 29, 1942.

In so far as by special agreement between the British and Soviet Governments in January-February, 1942 it was determined that the northern part of the trans-Iranian railroad be controlled by the Soviet authorities, and the southern part of the railroad be controlled by the British authorities, the Soviet Government understands that the American technical troops, not forming an independent military unit, but being part of the British Iranian-Iraq military district, and being under general British guidance, can be located in the limits of those southern districts, which in accordance with the above-mentioned agreement between the Soviet Government and the British Government were, in due course, assigned for the location of the British troops.

In accordance with the aforesaid the Soviet Government will instruct its Ambassador in Iran to inform the Iranian Government, in reply to the latter's inquiry of December 12, 1942, that on the part of the Soviet Government there are no objections against the participation of the American technical troops in the organization of control over the southern part of the trans-Iranian railroad under the general

¹⁷ *Post*, p. 466.

British guidance, and that at the same time the Soviet Government understands that all the rights, provided in the proposed draft agreement between the United States and Iran will, of course, in no way affect the rights belonging to the Soviet Union in accordance with the Treaty of Alliance with Iran of 1942, and will also not affect the above-mentioned agreement between the British Government and the Soviet Government regarding the zones of control of the trans-Iranian railroad on the part of British and Soviet authorities.

Accept [etc.]

A. GROMYKO

891.77/731a : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, August 6, 1943—8 p. m.

396. Department's instruction 242, July 3.¹⁹ Soviet note dated July 27 states that Russian Ambassador Tehran will be instructed to inform Iranian Government that Soviet Government has no objections to participation of American troops in control over southern part of Trans-Iranian railroad. Text of note follows by air mail.

HULL

711.91/106

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

No. 242

WASHINGTON, September 6, 1943.

The Secretary of State refers to the Department's confidential instruction no. 222 of August 10, 1943,²⁰ transmitting a copy of a note of July 27, 1943, from the Soviet Embassy with respect to the presence of American troops in Iran. The War Department has informed the Department of State informally that it considers satisfactory the statements made in the final paragraph of the Soviet note under reference, but it points out that in any future discussions with the Soviet Government, it should be made clear to the latter that the expression "under general British guidance" refers to the fact that military control of the area within which American troops are operating is exercised by the British, and that American troops form an independent command, located within, but not a part of the "British Iranian-Iraq military district". The War Department also states that "The primary British responsibilities are: (1) The control of priorities along the supply route as between aid to the Soviet Union and essential civil and military requirements, and (2) the security of the route; the primary American responsibility is the dispatch of supplies to the Soviet Union."

¹⁹ Not printed; it transmitted texts of the Soviet note of May 11, p 448, and the Department's note in reply, June 15, p. 466.

²⁰ Not printed.

NEGOTIATIONS BETWEEN THE UNITED STATES AND IRAN REGARDING PROPOSED AGREEMENTS COVERING THE PRESENCE OF UNITED STATES TROOPS IN IRAN ²¹

811.24591/1

Memorandum of Conversation, by Mr. John D. Jernegan of the Division of Near Eastern Affairs

[WASHINGTON,] January 4, 1943.

Subject: Agreement to Cover Presence of American Troops in Iran.

The Minister ²² said he had received a cable from his Government seeking further explanation of our views with respect to an agreement on this subject. It appeared that our Minister at Tehran ²³ had explained that we would prefer not to conclude a general agreement, but the Iranian Government was not clear on the matter.

I read to the Minister Mr. Dreyfus' cable of December 13 and our reply of December 23, 1942.²⁴ I again explained that our policy had been not to conclude formal general agreements in any of the countries where our troops were stationed, and I cited in this connection the cases of Egypt, Iraq, India, China and Australia. The Minister appeared to feel that these were not exactly comparable cases, since he considered all of the countries mentioned as being in fact our allies. I pointed out that both Egypt and Iraq were neutral and, whatever their special treaty relations with Great Britain, were regarded by the United States as completely independent. Furthermore, Iran was at present in treaty relations with Great Britain very similar to those of Iraq and Egypt.

The Minister then mentioned Iceland, saying that he thought we *had* concluded some form of written agreement in that instance. I admitted that I did not remember but promised to look it up.

The Minister said that he did not know whether his Government wished to insist upon a formal understanding, but he would like to know whether we would be definitely unwilling to consider one if the Iranian Government considered it necessary. I said that I could not answer the question, as this was a matter which would probably have to be decided by the Secretary or Under Secretary. Mr. Welles ²⁵ had signed our telegram to Mr. Dreyfus of December 23, but this did not necessarily mean that he would not be willing to reconsider the question if circumstances seemed to make it desirable.

²¹ For previous correspondence concerning the presence of United States troops in Iran, see *Foreign Relations, 1942*, vol. iv, pp. 311 ff.

²² Mohammed Shayesteh, the Iranian Minister.

²³ Louis G. Dreyfus, Jr.

²⁴ *Foreign Relations, 1942*, vol. iv, pp. 315 and 316, respectively.

²⁵ Sumner Welles, Under Secretary of State.

811.24591/2 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, January 8, 1943—3 p. m.
 [Received January 9—4:23 a. m.]

23. Prime Minister ²⁶ has on two occasions recently expressed desire to have United States adhere to Tripartite Pact ²⁷ and following is a paraphrase of a note dated January 6 received from Foreign Office:

“A few thousand fully equipped American troops have recently arrived in this country although no negotiations had been undertaken with either the Iranian authorities here or the Imperial Legation Washington. Since this action is not in keeping with the spirit of cooperation and cordiality that has always been in existence and continues to exist between the United States of America and the Imperial Government, and since it is not consistent with Iranian territorial integrity and the independence and sovereignty of Iran, the Ministry for Foreign Affairs has cause to believe that by this action the United States shows its intention of adhering to the Tripartite Pact concluded between Iran, USSR and Great Britain January 29, 1942. It is requested, therefore, that the United States Legation bring to the attention of the high authorities of its Government the fact that in order to clarify our mutual relations, the Imperial Government is prepared to alter the Tripartite Pact to a four power pact to include the United States.”

For various angles of this subject see Department's 29, February 9, and 390 [December 23] and 10, January 5, 1943, also my 72, March 16 and despatch 205, February 9.²⁸

This Foreign Office note brings into the open for consideration and solution the questions of our possible adherence to the Tripartite Pact, the making of *ad hoc* agreements or a general pact with Iran legalizing the status of our forces in this country, and the eventual adherence of Iran to the United Nations Declaration.²⁹ It should be pointed out that Annex 3 of the provisions of the Tripartite Pact are inconsistent with terms of the United Nations Declaration.

An early expression of Department's attitude on this important matter would be appreciated.

DREYFUS

²⁶ Ahmad Qavam.

²⁷ Signed at Tehran, January 29, 1942; for correspondence on this subject see *Foreign Relations*, 1942, vol. iv, pp. 263 ff.; for text, see Department of State *Bulletin*, March 21, 1942, p. 249.

²⁸ Telegrams No. 29, No. 10 and despatch No. 205, not printed; for telegrams No. 390 and No. 72, see *Foreign Relations*, 1942, vol. iv, pp. 316 and 272, respectively.

²⁹ Signed at Washington, January 1, 1942, *ibid.*, vol. i, p. 25.

811.203/219a : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, January 11, 1943—11 p. m.

20. Last paragraph your 435, December 13.³⁰ It is desired that our military authorities in Iran shall have exclusive jurisdiction in respect of criminal offenses that may be committed in Iran by members of our military forces. You are requested so to state informally to Iranian authorities and to add that this Government considers that it has the right to such jurisdiction under international law but that if the Government of Iran feels that the matter should be made the subject of an agreement such an agreement might be embodied in an exchange of notes. If that procedure is agreeable to the Iranian Government you are authorized to submit a note as follows:

Begin note. It is the desire of the Government of the United States that the Service courts and authorities of its military and naval forces shall during the continuance of the present conflict exercise exclusive jurisdiction over criminal offenses which may be committed in Iran by members of such forces.

If cases arise in which for special reasons the Service authorities of this Government may prefer not to exercise the above jurisdiction, it is proposed that in any such case a written statement to that effect shall be sent to the Iranian Government through diplomatic channels, in which event it would be open to the Iranian authorities to assume jurisdiction.

Assurance is given that the Service courts and authorities of the United States forces in Iran will be willing and able to try and on conviction to punish all criminal offenses which members of the United States forces may be alleged on sufficient evidence to have committed in Iran and that the United States authorities will be willing in principle to investigate and deal appropriately with any alleged criminal offenses committed by such forces in Iran which may be brought to their attention by the competent Iranian authorities or which the United States authorities may find have taken place.

In so far as may be compatible with military security the Service authorities of the United States will conduct the trial of any member of the United States forces for an offense against a member of the civilian population promptly in open court and within a reasonable distance from the place where the offense is alleged to have been committed so that witnesses may not be required to travel great distances to attend the trial.

The competent American authorities will be prepared to cooperate with the authorities of Iran in setting up a satisfactory procedure for affording such mutual assistance as may be required in making investigations and collecting evidence with respect to offenses alleged to have been committed by members of the armed forces of the United States. As a general rule it would probably be desirable that preliminary action should be taken by the Iranian authorities on behalf

³⁰ *Foreign Relations*, 1942, vol. iv, p. 315.

of the American authorities where the witnesses or other persons from whom it is desired to obtain testimony are not members of the United States forces. In prosecution in Iranian courts of persons who are not members of the United States forces but where members of such forces are in any way concerned the Service authorities of the United States will be glad to render such assistance as is possible in obtaining testimony of members of such forces or in making appropriate investigations.

It is proposed that the foregoing arrangement shall be in effect during the present war and for a period of six months thereafter.

If the above arrangement is acceptable to the Iranian Government this note and the reply thereto accepting the provisions outlined shall be regarded as placing on record the understanding between our two Governments. *End proposed note.*

Agreements similar to that proposed have been concluded with several countries including the United Kingdom and are in process of negotiation with other countries in which United States forces are stationed.

It is suggested that you inform the commanding officer of the United States forces in Iran of the action which is being taken and that you discuss with him any important questions concerning the matter which might arise.

HULL

811.24591/2 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, January 26, 1943—8 p. m.

47. Your 23, January 8. Department has intimated to Iranian Minister that it would be very difficult for this Government to adhere to a treaty of alliance, and that in any case such a step would unquestionably involve long delay. We have advised him informally, however, that we are considering an executive agreement which would cover the presence of American armed forces in Iran.

HULL

811.24591/9

*Memorandum by the Chief of the Division of Near Eastern Affairs (Alling)*⁸¹

[WASHINGTON,] January 26, 1943.

The Iranian Government has asserted that the presence on Iranian territory of American troops constitutes an infringement of Iranian sovereignty and has suggested that this matter be adjusted through the adherence of the United States to the Anglo-Russian-Iranian

⁸¹ Addressed to the Division of European Affairs.

Treaty of Alliance of January 29, 1942. Under this treaty, Great Britain and Russia have the right to maintain troops in Iran and to operate and control any or all means of communication in Iran.

NE³² does not consider it politically feasible to propose adherence of this Government to a Treaty of Alliance with Iran, and we have intimated as much to the Iranian Minister here. However, in view of the insistence of the Iranian Government upon the necessity for "legalizing" the status of American troops in Iran, it is believed that some form of executive agreement on this subject should be concluded.

There is attached a rough draft³³ of a suggested agreement, modeled closely upon the appropriate sections of the Treaty of Alliance. It will be noted that provision is made to avoid conflict with the Treaty but that the agreement is not itself based upon the Treaty. It will also be noted that the United States assumes no obligation, except that of interfering as little as possible with the internal affairs of Iran. This may seem to make the bargain rather one-sided, but it should be borne in mind that we are merely asking for ourselves rights already possessed by the British and Russians, and that the Iranians, in fact, welcome our presence in Iran as a possible offset to British and Russian influence.

This Division would like to have as soon as possible any comments you may care to make regarding the draft. It will be necessary, of course, to submit it to the War Department, and it is also planned to advise the British and Russian Governments before a definite proposal is made to the Iranian Government.

A copy of this memorandum is being sent to Le.³⁴

PAUL H. ALLING

811.24591/3 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, February 23, 1943—11 a. m.

[Received 12:32 p. m.]

20. Prime Minister in order to be in position to answer questions in the Majlis such as that reported my 198, February 22,³⁵ would appreciate receiving information as to the progress of the executive agreement³⁶ mentioned in Department's 47, January 26.

DREYFUS

³² Division of Near Eastern Affairs.

³³ Not printed, but see draft on p. 459.

³⁴ Office of the Legal Adviser.

³⁵ *Ante*, p. 337.

³⁶ The Acting Secretary of State replied in telegram No. 111, March 3, 9 p. m., that "Department hopes to be able to submit a draft agreement for discussion within a week." (811.24591/3)

811.24591/3 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, March 18, 1943—10 p. m.

132. Your 23, January 8 and 20, February 23. The Department is sending by airmail a draft agreement³⁷ relating to the entry into and presence in Iran of armed forces and other agencies of the United States of America, together with the President's full power authorizing you to negotiate, conclude and sign such an agreement.

HULL

811.24591/3

The Secretary of State to the Minister in Iran (Dreyfus)

No. 203

WASHINGTON, March 18, 1943.

SIR: There are transmitted to you herewith:

(1) the President's full power³⁸ authorizing you to negotiate, conclude and sign an agreement between the Government of the United States of America and the Imperial Iranian Government relating to the entry into and presence in Iran of armed forces and other agencies of the United States of America; and

(2) a draft agreement which has been formulated with the approval of the War Department.

You are requested to take this matter up with the appropriate Iranian authorities with a view to determining whether their Government is prepared to conclude an agreement of this type.

You will note that in the final paragraph of the draft agreement it is stated: "Signed and sealed in duplicate, in the English and Iranian languages, . . .". It is understood that *alternat* copies of the agreement would be prepared. The form is explained at large in Foreign Service Regulations, Chapter XI, section 2.

Copies of the enclosed draft agreement are being furnished for their information to the Iranian Minister and the British and Soviet Embassies at Washington and to the American Embassies at London and Kuibyshev.

In the event that the agreement is signed, you should transmit to the Department the original signed *alternat* for the United States of America.

Very truly yours,

CORDELL HULL

³⁷ *Post*, p. 459.³⁸ Not printed.

[Enclosure]

DRAFT ³⁹

WHEREAS, the present war has threatened the welfare of Iran and there is danger of aggression against Iranian territory by unfriendly powers; and

WHEREAS, on January 29, 1942 the Imperial Iranian Government concluded with the Governments of the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics a Treaty of Alliance; and

WHEREAS, the President of the United States of America has taken note of the said treaty; and

WHEREAS, the United States of America is associated with the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics in the prosecution of the war with a view to the removal of the existing dangers to the integrity, sovereignty and well-being of all peace-loving nations throughout the world; and

WHEREAS, both the Government of the United States of America and the Imperial Iranian Government have declared their adherence to the principles of the Joint Declaration made on August 14, 1941 by the President of the United States of America and the Prime Minister of the United Kingdom of Great Britain and Northern Ireland, known as the Atlantic Charter; ⁴⁰ and

WHEREAS, it is recognized by the Imperial Iranian Government that the success of the United States of America and its associates in the present war represents the only means whereby the objectives of the Atlantic Charter may be realized and the dangers threatening Iran removed,

The undersigned, Louis G. Dreyfus, Jr., Envoy Extraordinary and Minister Plenipotentiary of the United States of America at Tehran,

³⁹ This draft was drawn up during the period January 26–March 13 as the result of a joint effort within the Department between the Division of Near Eastern Affairs, the Division of European Affairs, the Treaty Division, and the Office of the Legal Adviser; collaboration between the Department of State and the War Department; and consultation between the Department of State and the Iranian Minister (Shayesteh).

The Minister of Iran suggested inclusion of a specific statement pledging the respecting of Iranian integrity. This became the basis of article I.

The War Department recommended a widening of the terms of reference for describing American civilians who were in Iran for specific War Department purposes, and for defining their rights and privileges. This procedure was adopted and applied to articles II, III, IV, VI, and VII.

⁴⁰ *Foreign Relations*, 1941, vol. I, p. 367.

and Mohammed Saed, Minister for Foreign Affairs of Iran, representing their respective Governments, have agreed as follows:

ARTICLE I

The United States of America undertakes to respect, in the future as in the past, the territorial integrity, sovereignty and political independence of Iran.

ARTICLE II

Units and individual members of the Armed Forces of the United States of America, the agencies which it finds necessary to employ in its operations, and the civilians employed by the United States of America or by such agencies, together with all the supplies and equipment necessary for their operations, may freely enter, operate, pass through or be maintained in Iran whenever and wherever entry, operation, passage or maintenance may be necessary to the prosecution of the war. It is understood that the presence of such forces, agencies, and employees does not constitute a military occupation and will disturb as little as possible the administration and security forces of Iran, the economic life of the country, the normal movements of the population and the application of Iranian laws and regulations.

ARTICLE III

All materials, equipment, supplies, goods, personal belongings and other like articles brought or imported by the American Armed Forces or by the agencies or employees aforesaid, whether owned by the Government of the United States of America or by such agencies or employees or destined for their use (including consignments to an American post exchange or commissary), shall be free from any tax, duty or port, customs or other charge levied by the Imperial Iranian Government or by any subordinate governmental authority. The Government of the United States of America may establish, maintain and operate postal facilities, commissary stores and post exchanges for the use of the said Armed Forces and agencies and employees.

ARTICLE IV

In any areas where units of the American Armed Forces or the agencies or employees aforesaid may be located in pursuance of the terms of this agreement, the appropriate American authorities may take all necessary measures to improve sanitation and in other ways to protect the health of the personnel. In carrying out such measures, the American authorities will receive the full collaboration of the Imperial Iranian Government and local Iranian authorities, and they may exercise all powers which the appropriate Iranian authorities

would possess in connection with the execution and enforcement of sanitary and health regulations, including the right to enter upon private property. If the rights of private property owners are adversely affected by any action taken under the provisions of this Article, the Government of the United States of America undertakes to make just compensation to the owners in question.

ARTICLE V

The Imperial Iranian Government, upon request, will grant to the United States of America the right to use, maintain, guard and control, in part or in their entirety, any of the means of communication within Iran, including railways, roads, rivers, aerodromes, ports, pipe lines, and telephone, telegraph and radio installations, whenever such use, maintenance, protection and control may be found advantageous for the prosecution of the war.

The Imperial Iranian Government further agrees to cooperate with the American Armed Forces in the institution and operation of such measures of censorship control as may be found desirable for the means of communication which may be used, maintained, guarded or controlled by those forces.

In the application of the provisions of this article, the American Armed Forces will give full consideration to the essential needs of the Imperial Iranian Government and people.

ARTICLE VI

Any property imported into Iran for the use of the Armed Forces of the United States of America, or the agencies or employees aforesaid, may be reexported from Iran whenever such reexport may be desirable in the interest of the United States of America, and such reexport shall be free of any tax, duty or port, customs or other charge levied by the Imperial Iranian Government or by any subordinate governmental authority.

If it should be found impracticable or undesirable to remove any installations which may have been or may be constructed in Iran by or at the expense of the United States of America or its agencies, the disposition and use of such installations after the present war shall be governed by an agreement or agreements to which both the Government of the United States of America and the Imperial Iranian Government shall be parties. Such agreement or agreements will make appropriate provision for the future ownership and operation of the installation or installations and for any payments or other benefits to be received by the United States of America. The governing purpose of such agreement or agreements shall be to carry out in practice, in whatever way may then appear to be the most effective,

the principles of the Joint Declaration of August 14, 1941, known as the Atlantic Charter, and in particular point Fourth thereof relating to the enjoyment by all States of access on equal terms to the trade and to the raw materials of the world. Such agreement or agreements shall be concluded within a reasonable time after the cessation of hostilities between the United States of America and its enemies in the present war, if not at an earlier date.

ARTICLE VII

If necessary, a separate agreement or separate agreements will be concluded to settle any subsidiary questions which may arise in consequence of the presence of American Armed Forces or civilian personnel in Iranian territory.

ARTICLE VIII

Any action under the present agreement which affects privileges granted or obligations incurred under the Treaty of Alliance between Iran, the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics, signed at Tehran on January 29, 1942, will be undertaken only after consultation and agreement with the appropriate Iranian, British and Soviet authorities.

ARTICLE IX

Unless previously terminated by mutual agreement, the present agreement shall remain in force until six months after the cessation of hostilities between the United States of America and its enemies in the present war, or until the conclusion of peace between them, whichever date is the earlier. However, Article VI of the present agreement shall remain in force until its terms shall have been entirely fulfilled, without regard to the foregoing provisions.

ARTICLE X

This agreement shall go into effect on the date of signature. It will be submitted immediately for the approval of the Majlis and for ratification in accordance with the requirements of the fundamental law of Iran.

Signed and sealed in duplicate, in the English and Iranian languages, this day of , 1943.

For the Government of the United States of America :

For the Imperial Iranian Government :

741.9111/74 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, March 19, 1943—11 a. m.

[Received 8:29 p. m.]

286. Department's 111, March 3.⁴¹ Prime Minister asked me yesterday whether I have yet received the draft promised by Department. He urges that the agreement include a guarantee by United States of the territorial integrity and sovereignty of Iran. Such a formal pledge he believes would be most helpful in counteracting the ever growing Soviet menace to Iran. He further expresses opinion that Iran has the right to expect such a declaration from the United States because of presence of American troops on Iranian soil.

DREYFUS

811.24591/3 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, March 26, 1943—6 p. m.

145. Your 286, March 19 and Department's 132, March 18. Draft agreement⁴² being sent you contains provision whereby United States undertakes to respect independence, sovereignty and territorial integrity of Iran. This is modeled on Article 1 of Anglo-Soviet-Iranian Treaty of Alliance. Department does not feel able to make stronger commitment and cannot agree that Iranian Government has a right to expect a guarantee merely because of the presence of American troops in Iran.

In your discretion, you may communicate the foregoing to Prime Minister, reminding him at the same time of the assurances contained in President's message of September 2, 1941⁴³ to Reza Shah⁴⁴ to the effect that this Government maintained its traditional attitude toward the independence of all nations and had taken note of British and Soviet statements that they had no designs on Iranian independence or territorial integrity. You may also remind him that the President has taken note of the Anglo-Soviet-Iranian Treaty, by which the Allies undertook to respect Iranian sovereignty and integrity.

HULL

⁴¹ See footnote 36, p. 457.

⁴² *Ante*, p. 459.

⁴³ *Foreign Relations*, 1941, vol. III, p. 446.

⁴⁴ Reza Shah Pahlavi, at that time Shah of Iran.

811.24591/6: Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 27, 1943—2 p. m.
[Received April 28—8:56 a. m.]

436. Department's 196 April 24.⁴⁵ Foreign Minister informs me the draft agreement relating to presence of American forces in Iran is receiving urgent consideration by Government. He believes it will be approved in very near future with minor amendments to bring it more nearly into line with Tripartite Pact. It should be noted that draft was submitted to Iranian Government only on April 12.

The matter of exchange of notes on criminal jurisdiction has received favorable consideration of Cabinet and is now under study in Ministry of Justice. Foreign Minister feels certain it will be approved by Government but he states frankly that it will be held up until general agreement referred to above has been signed.

DREYFUS

811.24591/8½: Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, May 8, 1943—5 p. m.
[Received 7:10 p. m.]

476. My 436, April 27. I am forwarding tomorrow by air Iranian rough draft of proposed agreement.⁴⁶

Principal changes proposed by Iranians are:

1. First whereas eliminated.
2. In last whereas words "and the dangers threatening Iran removed" are omitted.
3. Article I—sentence added in which United States undertakes not to adopt in relations with other countries an attitude harmful to sovereignty or independence of Iran, nor to conclude pacts inconsistent with this agreement; U.S. also agrees to consult Iran Government on matters having direct bearing on interests of Iran.
4. Iran text eliminates in article II and subsequent articles reference to "agencies".
5. In article III last sentence granting right to maintain postal facilities, commissary postal facilities, commissary stores and post exchanges is eliminated.
6. In article IV remainder of sentence 2 following "Iranian authorities" is eliminated.
7. New article V is added which provides US undertakes to protect Iran against aggression by Germany or any other government. Iran would give the US all possible cooperation to achieve this end but would limit such cooperation to maintenance of internal security on Iran soil.

⁴⁵ Not printed.⁴⁶ Despatch No. 549, May 8, 1943, not printed.

8. In article VI (Department's article V) sentence is added in which US agrees that in subsequent separate agreements to be concluded the interests of Iran in matters of roads railway and means of communication will be safeguarded.

9. Article VII Department's VI last paragraph completely altered to provide that permanent installations would be given gratuitously to Iran while movable property, if needed by Iran and not by US, would be sold to Iran.

10. New article X inserted after Department's VIII. This provides that U.S. will use its best efforts to safeguard economic life of Iran and will begin negotiations of separate agreements for this purpose.

11. Article XI Department's IX United States would agree to withdraw its forces from Iran not later than 6 months after cessation of hostilities based on an armistice or armistices or on conclusion of peace treaty, whichever date is earlier. The term "its enemies" is changed to "the German Government and its associates" and a sentence is added defining them as "any other government which is now conducting hostilities or should in future start hostilities with any of the United Nations".

12. Article XII Department's X altered to provide that action will be taken to obtain approval of agreement in accordance with fundamental laws of both signatory Governments after which ratifications will be exchanged.

13. Iranian Government desires that in an annex to agreement the American Government give an undertaking along almost identical lines as that given by British and Soviet Governments in annexes 1 and 2 of Tripartite Pact (see text enclosed with my despatch 169, December 22, 1941⁴⁷).

The alterations and additions requested by Iran Government are intended to bring the agreement more nearly into line with Tripartite Pact.

DREYFUS

811.24591/8½ : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, June 8, 1943—9 p. m.

279. Your 476, May 8, 5 p. m. Department and War Department now considering Iranian counter draft of proposed agreement on presence American forces in Iran.⁴⁸ Pending arrival at final conclusion, War Department has requested that you show copy of draft to General Connolly⁴⁹ and obtain statement his views regarding practicability or desirability of provisions in counter draft of particular interest to him. Please telegraph any recommendations or sugges-

⁴⁷ Not printed.

⁴⁸ The Iranian counterdraft was the subject of several War Department memoranda dated July 7, July 9, August 12, and August 28; none printed.

⁴⁹ Maj. Gen. Donald H. Connolly, Commanding General, Persian Gulf Service Command.

tions he may make, together with any you feel will assist Department in reaching an equitable decision regarding agreement.

HULL

711.91/99

The Secretary of State to the Chargé of the Soviet Union (Gromyko)

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 note of May 11, 1943⁵⁰ presented by the Chargé d'Affaires with respect to the memorandum on the aims of American policy in Iran which was handed to the Ambassador of the Union of Soviet Socialist Republics at Tehran on April 3, 1943 by the American Minister at Tehran.⁵¹

The Government of the United States welcomes the assurance of the Soviet Government that it concurs in the necessity of maintaining the closest contact and collaboration between the American and Soviet representatives in Iran with a view to the victorious end of the present war and securing a lasting peace in Iran after the war.

This Government also appreciates the readiness of the Soviet Government to supply the Government of the United States with information on Soviet-Iranian relations and to discuss fully and frankly any questions which may arise affecting the Soviet and American representatives in Iran. As the Soviet Government has been assured previously, the Government of the United States fully reciprocates the attitude of the Soviet Government.

In the note of the Chargé d'Affaires under reference, mention is made of an apparent divergence in the definition of the aims and functions of American troops in Iran, as set forth in the memorandum of April 3, 1943, of the American Minister at Tehran and in the draft agreement⁵² between the United States and Iran regarding the presence of American troops in Iran, a copy of which was given by the Department to the Soviet Ambassador at Washington.

The Chargé d'Affaires remarks that in the memorandum of April 3, 1943, it was stated that American technical military units were stationed in Iran only to support the British Military Forces, which retained full control over transport lines in the south of Iran, whereas in the draft agreement between the United States and Iran it is provided that the United States shall have the right to "use, maintain, guard and control, in part or in their entirety, any of the means of communication within Iran, . . . whenever such use, maintenance,

⁵⁰ *Ante*, p. 448.

⁵¹ See telegram No. 153, March 31, 5 p. m., to the Minister in Iran, p. 351.

⁵² *Ante*, p. 459.

protection and control may be found advantageous for the prosecution of the war."

It is believed, from the remarks of the Chargé d'Affaires, that, in the course of translating, retranslating and paraphrasing, the sense of the memorandum of April 3, 1943 may have been misinterpreted. That memorandum was intended to inform the Soviet Government that technical troops of the American Army had been sent to Iran at the request of the British Government as the result of Moscow conferences between Mr. Stalin and Mr. Churchill in August 1942. It has always been the understanding of the United States Government that the sole mission of these United States forces was to operate transportation facilities, under general British direction, for the purpose of increasing the amount of supplies being furnished the Soviet Union and that they were not in Iran to supplement or replace the British forces of Occupation. The United States Government did not desire to convey the impression that American troops were to support British forces in any military sense. The proposed agreement with the Iranian Government was drawn up to further the above-stated purpose of increasing the amount of supplies to the Soviet Government and for no other reason, and the terms of the agreement were phrased so as to permit the execution by the American troops of any operations which the governments concerned might deem it desirable for them to undertake in this connection.

It was not originally the intention of the American Government to conclude a formal agreement with the Government of Iran with respect to the presence of American troops in that country, since it was believed that the terms of the Soviet-British-Iranian Treaty of Alliance of January 29, 1942 provided appropriate authority for the introduction of American forces in Iran to assist the United Nations over-all effort. However, as the Soviet Government is doubtless aware, the absence of such an agreement aroused domestic criticism in Iran, and the Iranian Government requested that the entry and operations of the American forces be formalized by a written convention. It appeared, therefore, that future difficulties would be avoided if the status of American troops in Iran, in so far as the Iranian Government might be concerned, were clearly recognized and defined by that Government in a formal instrument.

Accordingly, the draft agreement in question was prepared with a view to securing for the American forces the greatest possible freedom of action vis-à-vis the Iranian authorities. However, the extent of American use and maintenance of communications in Iran will necessarily depend upon the agreements which have been or may be reached among the appropriate Soviet, British and American authorities with

respect to the movement of supplies to the Soviet Union through Iran.

The provision that American troops might "guard and control" communications was inserted in the draft agreement in order that the American forces might take such measures as might be essential to protect their operations against any local threat to their security. The United States Government does not plan to assume primary responsibility for the security or control of any part of the Iranian communications.

It is desired further to point out that the position of the Soviet Union and Great Britain in Iran under the Treaty of Alliance of January 29, 1942 is specifically recognized by Article VIII of the draft agreement between the United States and Iran, which reads:

"Any action under the present agreement which affects privileges granted or obligations incurred under the Treaty of Alliance between Iran, the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics, signed at Tehran on January 29, 1942, will be undertaken only after consultation and agreement with the appropriate Iranian, British and Soviet authorities."

In his note under reference, the Chargé d'Affaires refers not only to the Treaty of Alliance but also to "The agreement in principle reached by the Governments of the U.S.S.R. and Great Britain in January-February, 1942, in regard to the fact that the northern part of the trans-Iranian railroad be controlled by the Soviet authorities, and the southern part of the railroad, accordingly, be controlled by the British authorities . . ." American forces in Iran confine their operations to such areas as may have been mutually agreed upon with the appropriate United States, British and Soviet authorities.

With reference to the statement by the Chargé d'Affaires that ". . . the Soviet Government would like . . . to acquaint itself to a more complete extent with the agreement reached between the American and British sides on the question of exploitation of the southern communications of Iran," it is understood that the British Government, which is fully informed with regard to its own arrangements with the Soviet authorities as well as those between Great Britain and the United States, has instructed its Ambassador at Moscow to discuss this question with the Soviet Government and to provide all information which may be desired. It is felt that discussions of the details of such arrangements can be satisfactorily carried on between the appropriate United States, Soviet and British officials.

It is hoped that the foregoing statement will clarify any uncertainties which the Soviet Government may have felt with respect to the purposes and status of American armed forces in Iran.

WASHINGTON, June 15, 1943.

811.24591/11½ : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, June 21, 1943—11 a. m.

[Received June 22—11:04 a. m.]

642. Department's 279, June 8, 9 p. m. I delivered both American and Iranian texts of proposed agreement to General Connolly on June 10 and on June 18 requested him to expedite reply. He replied on June 19 that the concessions to be made by United States are so far reaching that careful study must be made before he is in position to comment. I have obtained clear impression from officers attached to PGSC⁵³ that General Connolly is satisfied with present informal status of his command vis-à-vis the Iranians and is therefore not particularly anxious to proceed with negotiation of this agreement. I suggest, unless General Connolly offers suggestions or comments in near future, that negotiation on agreement be no longer delayed.

I have advised Foreign Minister⁵⁴ informally that if Iranian Government wishes the kind of guarantee suggested in article V of its draft (see paragraph 7 of my 476, May 8) it is at liberty to adhere to United Nations Declaration. He replied that he did not believe there would be serious objection to elimination of this article.

DREYFUS

811.24591/15½ : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, July 10, 1943—noon.

[Received 6:30 p. m.]

710. My 642, June 21. General Connolly informed me today that he has been instructed by War Department to take all the time necessary in making his comments on the proposed agreement since "there is no hurry in the matter"; his findings should then be forwarded to War Department by airmail. He stated that he does not see any advantage in signing such an agreement because he is satisfied with the *status quo* of his command in Iran and because the Americans are bringing only good to Iran through improvements in ports, railways, et cetera. He objected particularly to the clause requiring United States to protect Iran but I explained to him that Iranians will not object to elimination of this provision.

I feel that Connolly's attitude, which appears to be based on lack of knowledge of international relations, should not be permitted longer to delay consummation of this agreement. Instead of con-

⁵³ Persian Gulf Service Command.⁵⁴ Mohammad Saed.

fining himself to consideration of the purely military aspects of the problem, he is concerning himself more than is necessary or proper with the political phases.

Prime Minister yesterday urged me to ask the American Government to proceed with all haste since the Majlis and press are becoming increasingly critical of American operations in Iran without formal agreement covering their presence. A leading editorial in a newspaper on July 4th in taking U.S. to task for failure to conclude an agreement with Iran on the subject stated "Such delay creates suspicion and misunderstanding. It is at variance with the principles laid down in the Atlantic Charter and the principles for which Americans are fighting this war". This kind of criticism will grow if there is further delay.

I urge that unless we are prepared to accept the historic onus of having occupied Iran for a long period without formal agreement, negotiations be resumed at once and without awaiting General Connolly's comments.

DREYFUS

811.24591/11a : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, July 21, 1943—10 p. m.

356. Your 710, July 10. You may inform Iranian Government that Department is giving earnest consideration to the Iranian counterdraft and will submit its views at earliest possible moment. You should explain, however, that delay is inevitable in obtaining the comments of the War Department and in studying the numerous points involved.

For your information, the War Department has given us its tentative views on the Iranian counterdraft, subject to revision in the light of Connolly's expected comments, and has promised to instruct Connolly to expedite his report if it has not been received by the time we have completed our own study.

HULL

811.24591/10 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, July 24, 1943—10 a. m.

[Received July 24—8:59 a. m.]

766. Department's 279, June 8. General Connolly has now completed his study of Iranian counterdraft and has set forth his comments in letter to me of July 19.⁵⁵ At my suggestion he is cabling to

⁵⁵ Not printed.

War Department full text of his letter by new direct Army radio service with request that copy be furnished State Department. He is sending written text to War Department by special courier.

General Connolly's comments as to articles III, V, VI, VII and XI appear to be sound. His objection that terms of agreement are more favorable to Iran than those of Tripartite Pact does not strike me as convincing. He loses sight of fact that we are exploiting Iran as a supply route and that special consideration should therefore be given in return. His suggestion with regard to article II that full authority in deciding where forces are to be located be left to commanding general would seem too arbitrary since Iran is not considered an occupied country. In commenting on article IX he states that this article nullifies article VI and makes it impossible for Americans to control communications without consulting two other governments. While this is true it seems evident that we cannot operate in Iran in a military sense without consultation with the other Allies. Concerning article X the General comments that the British and Russians have already assumed responsibility for assisting Iran economically and that an American undertaking in this respect is unnecessary and undesirable. I do not agree with his view and suggest that this article be retained. As to article XII Connolly suggests insertion of a cancellation clause. This would appear impracticable in an agreement of this kind.

Since Foreign Office continues to press me and in view of continuance of criticism in newspapers Department is requested to expedite action on agreement.

DREYFUS

740.0011 European War 1939/30843 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, August 23, 1943—5 p. m.

[Received August 24—10:21 p. m.]

874. Reference my No. 868, August 21.⁵⁶ There follows translation of note from Prime Minister dated August 21st:

“With regard to the residence of American troops in Iran I have repeatedly spoken to Your Excellency and I have said that their arrival in Iran was in violation of international laws and principles and without the previous consent of the Iranian Government. It is inconsistent with the friendly relations of the two countries. This action on the part of the United States Government is objected to by my Government, and the deputies of the Medjliss have repeatedly interrogated the Government on the subject. In order that the arrival of American forces in Iran may be based on international regulations and in order that the legal formalities may be accomplished

⁵⁶ *Ante*, p. 434.

the agreement which has been drawn up must be signed by the representatives of the two Governments to eliminate any doubt and objection. Your Excellency has pointed out the good will of your Government and recognized several times the necessity of signing the agreement. A project for the agreement was submitted to the Government some time ago. Nevertheless I regret to state that no result has been thus far obtained. The Government's position is undetermined in the face of statements made and reasonable objections raised by the deputies of the Medjliss and the people. Inasmuch as the Governments of Iran and the United States have given their consent to signing the agreement, I do not see anything hindering the signing of the agreement at an earlier date, as otherwise you will admit that the Iranian Government will be at a loss to furnish any reply to inquiries made by the people and to defend this action and attitude of the American Government authorities who are the standard-bearers of freedom."

DREYFUS

741.9111/77

The Secretary of State to the Minister in Iran (Dreyfus)

No. 272

WASHINGTON, September 10, 1943.

SIR: There is enclosed a revised draft of the proposed agreement between the United States and Iranian Governments concerning the presence of American Armed Forces in Iran, which you are instructed to present to the Iranian Government.

The Iranian counterdraft submitted in your despatch no. 549 of May 8, 1943⁵⁷ received the most careful consideration by the Department of State and the War Department. Some of the Iranian proposals have been adopted, but those omitted from the enclosed draft have not been found acceptable to this Government.

You will note that the second sentence of Article I and the whole of Articles V and X of the Iranian draft are omitted from the enclosed draft. The fact that similar provisions are in the Anglo-Soviet-Iranian Treaty of Alliance has not been considered sufficient reason for their inclusion in the proposed agreement. If called upon to discuss the omission of these articles with the Iranian authorities, you may wish to emphasize the breadth of the undertaking in Article I to respect the territorial integrity, sovereignty and political independence of Iran.

There is also enclosed, for background information only, a copy of informal comments on the wording of the enclosed draft.

Very truly yours,

For the Secretary of State:
[File copy not signed]

⁵⁷ Despatch not printed, but see telegram No. 476, May 8, 5 p. m., from the Minister in Iran, p. 464.

[Enclosure 1]

*Revised Draft Agreement With Iran***PREAMBLE**

[Here follows text of preamble as in draft printed on page 459, with omission of first "Whereas".]

ARTICLE I

[Here follows text same as in draft printed on page 460.]

ARTICLE II

Units and individual members of the Armed Forces of the United States of America, the corporate and other agencies which it finds necessary to employ in connection with operations carried out by or under the direction of the Armed Forces, and the civilians employed by the United States of America or by any such agencies, together with all the supplies, equipment and installations necessary for their operations, may freely enter, operate, pass through or be maintained in Iran whenever and wherever entry, passage, maintenance or operation may be necessary to the prosecution of the war. [Here follows second sentence as in draft printed on page 460.]

ARTICLE III

All materials, equipment, supplies, articles, and installations brought, imported or erected by members of the American Armed Forces or by the agencies or employees aforesaid (including goods consigned to an American post exchange or commissary), whether owned by the Government of the United States of America or by the agencies or employees aforesaid, shall be exempt from payment of any tax, duty, or port, customs or other charge levied, assessed, or collected by the Imperial Iranian Government or by any subordinate governmental authority; provided that such materials, equipment, supplies, articles, and installations are for war purposes or for the consumption or personal use of the military personnel, agencies or employees aforesaid, and provided that such exemption shall not apply to articles brought or imported personally, for their personal use, by subjects of Iran who are not members of the American Armed Forces. No gross receipt, income, or like forms of taxes will be imposed, levied or collected by the Imperial Iranian Government or any subordinate governmental authority on the income heretofore earned or received in respect of such employment by any member of the Armed Forces of the United States of America, or by the agencies and employees aforesaid; and no gross receipt, income or like forms of taxes will

be imposed, levied or collected by the Imperial Iranian Government or any subordinate governmental authority on the income hereafter earned or received by persons who have entered or may enter Iran as members of the Armed Forces of the United States of America, or as the agencies or employees aforesaid; provided that the exemption from taxation on income hereafter earned or received shall not apply to persons who are subjects of Iran and who are not members of the Armed Forces of the United States of America. No members of the American Armed Forces or agencies aforesaid shall be under any obligation to collect or make any financial contribution under any Workmen's Compensation Act or other such law. The Government of the United States of America may establish, maintain and operate postal facilities, commissary stores, and post exchanges for the use of members of the armed forces, agencies and employees aforesaid.

ARTICLE IV

[Here follows text same as in draft printed on page 460.]

ARTICLE V

[Here follows text as in draft printed on page 461, with addition of words "improve, supplement" after the word "maintain", and with following sentence added at the end of the article: "If necessary, arrangements to safeguard the rights of the Imperial Iranian Government in the railway, roads and other means of communication in question shall be made by direct conversations between the appropriate Iranian authorities and the authorities of the American Armed Forces in Iran."]

ARTICLE VI

[Here follows text same as in draft printed on page 461, with addition of following proviso at the end of the first paragraph: "provided, that such right of reexport and exemption from charges shall not apply to articles imported personally, for their personal use, by persons who are subjects of Iran and not members of the Armed Forces of the United States of America."]

ARTICLE VII

If necessary, a separate agreement or separate agreements will be concluded to settle any subsidiary questions which may arise in consequence of the presence of American Armed Forces, the agencies or employees aforesaid, in Iranian territory.

ARTICLE VIII

[Here follows text same as in draft printed on page 462.]

ARTICLE IX

The Armed Forces of the United States of America shall be withdrawn from Iranian territory not later than six months after all hostilities between the United States of America and Germany and her associates shall have been terminated. However, in the event that a treaty of peace between them should be concluded less than six months after the cessation of hostilities, the Government of the United States of America undertakes to withdraw its forces, as soon as possible. The expression "associates" of Germany means any other Government which is now engaged or may in the future engage in hostilities against any of the United Nations.

The present agreement shall terminate with the withdrawal of the American Armed Forces from Iran, except that Article VI shall remain in force until its provisions shall have been entirely fulfilled, without regard to the date of withdrawal of the Armed Forces.

ARTICLE X

This agreement shall come into force on the date of signature.

[Enclosure 2]

*Comments on Revised Draft Agreement With Iran**Article I*

This is the one sentence in the original draft. The Iranian counterdraft⁵⁸ added a second (and the War Department added a third, to make it reciprocal) but the Legal Adviser considered the second sentence a departure from the general nature and purposes of the agreement, as we would be making commitments which might prove embarrassing and which would seem to have no place in an agreement relating to our military forces. Moreover, the essence of the added sentence seems to be amply covered by the article as it stands.

Article II

In the first sentence, the Department's original draft spoke of "the agencies which it (the United States) finds necessary to employ in its operations". The Iranian counterdraft omitted this phrase entirely, thus restricting the rights conceded to the Armed Forces and individual civilians employed directly by the United States Government. The War Department draft reads "the corporate and other agencies which it finds necessary to employ in its operations". In the present revision, the War Department wording has been adopted with the addition of the qualifying phrase: "in connection with operations carried out by or under the direction of the Armed Forces". It is

⁵⁸ See telegram No. 476, May 8, 5 p. m., from the Minister in Iran, p. 464.

thought that this qualification may make the provision more acceptable to the Iranians, by eliminating the possibility that we might use the authority to undertake commercial or other non-military operations, while at the same time retaining the freedom of action desired by the War Department.

The Iranian counterdraft inserts a sentence reading as follows: "Insofar as the strategic situation allows, the location of such forces shall be decided in agreement with the Iranian Government." This corresponds to a virtually identical clause in Article 4 of the Anglo-Soviet-Iranian Treaty of Alliance. The War Department has rejected it, and, as it must necessarily be largely meaningless in practice, it seems preferable to omit such an undertaking. The remainder of the Article is identical in all three drafts.

Article III

This closely follows one of two alternative draft articles proposed by the War Department. There are three new points involved in this Article, namely:

a) The original draft exempted from all forms of taxation all articles "brought or imported" by the Forces, agencies and employees in question. No mention was made in that draft of the use to which these articles were to be put. The Iranian counterdraft restricted the exemption to customs duties, omitting reference to other forms of taxation, and inserted the provision that the articles must be used for war purposes or for the personal use of the individuals concerned. The War Department has adopted this latter provision, which seems entirely just and even necessary, but insists upon exemption from all forms of taxation, which also seems necessary and equitable. However, it is thought that it would be unreasonable and unnecessary to extend the privilege of free importation to Iranian subjects employed as civilians by our forces. Such a step would open the way to serious abuses, in view of the large number of Iranians involved and the enormous profits which they could obtain through clandestine resale of articles imported. Such food and other articles as the American authorities may think necessary for the Iranian employees can be imported by the military authorities themselves. Accordingly, this Division has inserted an additional provision that the exemption shall not apply to "articles brought or imported personally, for their personal use, by subjects of the Imperial Iranian Government who are not members of the American Armed Forces." It is hoped that this qualification will make the general provision acceptable to the Iranian Government.

b) The Iranian counterdraft omits the clause permitting the United States Government to operate postal facilities, commissary stores, and post exchanges. The War Department draft retains this clause. We are unaware of the reason for the Iranian objection, but the right involved would appear to be necessary for the proper maintenance of our forces, and it is, therefore, thought proper to insist upon it.

c) Neither the Department's original draft nor the Iranian counterdraft mentions any exemption from income or similar taxes. This

question arose recently in connection with General Motors operations in Iran, and it is understood that up to the present neither the Persian Gulf Service Command nor the American civilian agencies under its direction have been paying the Iranian income tax, either for their American personnel or the Iranians whom they employ. Since the number of men involved is substantial and may ultimately amount to more than 100,000, this is a rather extensive exemption and represents a fairly serious reduction in potential Iranian revenues, which are disastrously low at the present time. It is also difficult to justify on moral or legal grounds with respect to civilian Iranian employees. The War Department draft, accordingly, provides for a blanket exemption from all tax liability on income previously received but restricts the future exemption to persons "*who have entered or may enter Iran as members of the Armed Forces of the United States of America, or as the agencies or employees aforesaid.*" It is assumed that the intention is to avoid taxation on the profits of the non-Iranian organizations concerned or on the personal wages of non-Iranian employees or military personnel but to permit the collection of taxes on the incomes of Iranian civilians employed locally. To make this a little more definite, this Division has added a provision that the exemption shall not apply to "persons who are subjects of Iran and who are not members of the Armed Forces of the United States of America." It is thought that this would avoid discrimination in cases where Iranian subjects might be employed in other countries and then sent to Iran, thus qualifying as persons "*who have entered or may enter Iran*".

Article IV

This Article was originally suggested by the War Department. It closely follows the corresponding provisions of the Base Lease agreement with Great Britain.⁵⁹ In the Iranian counterdraft, the clause giving our authorities "all powers which the appropriate Iranian authorities would possess" is omitted. The War Department draft, however, retains this, and it would seem to be an important right.

(Iranian Article V)

The Iranian counterdraft inserts an entirely new article at this point, whereby the United States would undertake to defend Iran against aggression by "Germany or any other power". Iran would undertake to cooperate in such defense, but only to the extent of maintaining internal security. This proposal is modeled upon a virtually identical undertaking by Great Britain and Russia in the Anglo-Soviet-Iranian Treaty of Alliance. The War Department has positively rejected it, and it appears quite certain that this Government is not in a position to make such a commitment. Our Minister at Tehran reports that the Iranians will not insist upon this article.

⁵⁹ Agreement with Great Britain for the use and operation of certain bases, signed at London, March 27, 1941, Department of State *Bulletin*, March 29, 1941, p. 387.

Article V

Except for the final sentence, this is identical with the original draft, the Iranian counterdraft, and the War Department draft. The final sentence of the Iranian counterdraft is as follows: "An agreement or agreements shall be concluded as soon as possible between the Imperial Iranian Government and the Government of the United States of America in which the rights of the Iranian Government concerning the use made of the railway, other means of communication and roads will be safeguarded." The War Department has asked that this Article be so worded as to make another agreement unnecessary. There would appear to be only two alternatives: *a*) to omit the final sentence entirely, as was done in the original draft, or *b*) to leave any necessary arrangements to be made informally by the people on the spot. It is thought that there will be, inevitably, many working arrangements to be established between the Iranian and American organizations in connection with our use of communications, and the "rights of the Iranian Government" could be taken care of in that way.

Article VI

This Article is identical with the Department's original draft and with the War Department draft, except for the final clause of the first paragraph, which has been added to conform to the new provisions of Article II. The Iranian counterdraft conforms substantially to the first paragraph, except for the final clause, but differs radically with respect to the second paragraph. It proposes that fixed installations shall be given to the Iranian Government free of charge and that movable property which is not removed may be sold to the Iranian Government after agreement by a committee composed of representatives of both parties. This Iranian proposal has been rejected *in toto* by the War Department and is contrary to the policy which has been worked out by the Department, after careful consideration, in connection with our draft Lend-Lease agreements with Middle Eastern countries. It is believed that we should insist upon retaining the clause substantially as it stands.

Article VII

This is the wording of the War Department draft. The Department's original draft, and the Iranian counterdraft speak only of "the presence of American Armed Forces or civilian personnel", but it seems logical to include the word "agencies".

Article VIII

This is the wording of all three drafts, and no change has been suggested.

(Iranian Article X)

The Iranian counterdraft inserts an entirely new article at this point, reading as follows:

“The Government of the United States of America undertakes to exert its best efforts to safeguard the economic life of Iran against privations and difficulties arising as a result of the present war, and to start the necessary negotiations for this purpose with the Imperial Iranian Government as soon as possible, and to conclude corresponding agreements.”

This is substantially the same as Article 7 of the Anglo-Soviet-Iranian Treaty of Alliance. The War Department has expressed the opinion that its acceptance or rejection is a question solely for the State Department. A request for a similar declaration by this Government was made by the Iranian Minister a few months ago in connection with a proposed American-Iranian financial agreement. After consideration by NE,⁶⁰ DM,⁶¹ ER,⁶² EA⁶³ and Mr. Acheson,⁶⁴ it was decided that such a declaration would be entirely meaningless and should not be made. The same reasoning and the same decision seem applicable to the present case.

Article IX

This incorporates part of the phraseology of the Iranian counterdraft (Article XI) which is obviously modelled on article 5 of the Anglo-Soviet-Iranian treaty. However, reference to an armistice has been omitted. We have been talking of unconditional surrender, which might or might not be in the nature of an armistice. It seems unnecessary to define the method by which hostilities may be suspended. The War Department draft called for withdrawal of our forces as soon as reasonably possible after the conclusion of peace, but we have maintained that the six-months feature is essential, even though transportation difficulties might prevent withdrawal of all the forces within that period.

Article X

No reference to ratification is made in this article on the ground that this is an agreement and not a treaty, and we should give no excuse for calling it a treaty. Ratification by the Majlis is not, of course, precluded.

⁶⁰ Division of Near Eastern Affairs.

⁶¹ Division of Defense Materials.

⁶² Division of Exports and Requirements.

⁶³ Adviser on International Economic Affairs.

⁶⁴ Dean G. Acheson, Assistant Secretary of State.

740.0011 European War 1939/30843 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, September 21, 1943—10 p. m.

480. Department's 456, September 9, 10 p. m.⁶⁵ The declaration of war by Iran⁶⁶ does not appear to make any changes necessary in the proposed agreement except in the preamble. Substitute the following for the first five paragraphs of the draft agreement enclosed with the Department's instruction no. 272 of September 10:

"WHEREAS, the Government of the United States of America and the Imperial Iranian Government subscribe to the principles of the Joint Declaration made on August 14, 1941 by the President of the United States of America and the Prime Minister of the United Kingdom of Great Britain and Northern Ireland, known as the Atlantic Charter; and

WHEREAS, each Government is a party to the United Nations Declaration of January 1, 1942, and has thereby pledged itself to employ its full resources, military or economic, against those members of the Tripartite Pact with which such Government is at war; and

WHEREAS, the presence of American Forces in Iran is deemed necessary to the successful prosecution of the war."

HULL

811.24591/17 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, October 25, 1943—8 p. m.

[Received October 26—3:50 p. m.]

1020. Reference to Department's instruction No. 272, September 10. Iranian Government prepared and anxious to sign the agreement covering our troops in Iran but insist that inclusion of unrestricted words "agencies and employees" in article XI and subsequent articles opens way for serious abuse of taxation and customs exemptions. By such non-Iranians as Armenians, Syrians, Egyptians and others, both individuals and firms many of whom have been or may be employed on part-time contractual or other basis by our military establishment and who under agreement as now worded might insist upon claiming exemption from taxation on business other than that performed for or on behalf of United States armed forces. Other minor objections have been voiced but these probably would be dropped if use of above quoted words were clarified or adequately restricted.

While it is apparent that War Department does not wish to limit the kind or character of the agencies which may be employed by our

⁶⁵ Not printed.

⁶⁶ For correspondence on this subject, see pp. 428 ff.

armed forces in Iran I feel it is only just that any taxation or customs exemption which may be granted such unspecified agencies or individuals should be strictly and unmistakably limited to imports to state and monies earned or received solely during the period of and strictly incident to their employment by or connection with our armed forces. This limitation could probably be established to the satisfaction of Iranian Government by the following changes in article III of draft agreement forwarded with Department's instruction No. 272 of September 10:

1. In first sentence under first "provided" following the words "military personnel" line 13, page 3, change phrase to read "or of the agencies or employees aforesaid during the period of and strictly incident to their employment by or connection with the armed forces of the United States of America".

2. Should foregoing change be approved and made, the second, "provided" would seem unnecessary and possibly confusing, and accordingly it is recommended that beginning with words "and provided" (line 14, page 3) the balance of first sentence of article III be eliminated.

3. In second sentence of article III (line 17, page 3) amend first phrase to read "No gross receipt, income, or like forms of taxes will be imposed, levied or collected by the Imperial Iran Government or any subordinate on the income heretofore earned or received by the agencies or employees aforesaid resulting from their employment by or connected with the armed forces of the United States of America;"

Department's urgent consideration of these changes would be appreciated as I hope to leave here within a few days for the United States, for the Foreign Minister is most anxious that this agreement be finally concluded before my departure.

DREYFUS

811.24591/18: Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 16, 1943—4 p. m.
[Received November 17—12: 35 a. m.]

1058. My 1020, October 25. It would be appreciated if Department would endeavor expedite action on this matter. I think the conclusion of troop agreement is important not only to our relations with Iranian Government but also with Soviets and British. Representatives of latter two Governments have shown interest here and in Moscow during the recent conference.⁹⁷

DREYFUS

⁹⁷ See letter of November 4 from Mr. George V. Allen, p. 400.

811.24591/17 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, November 18, 1943—1 p. m.

579. War Department concurs in the changes recommended in paragraphs numbered 1 and 2 in your telegram no. 1020, October 25, 1943.

With reference to your paragraph no. 3, the War Department desires that the second sentence of Article III retain the phrase "any member of the Armed Forces of the United States of America." The first part of the second sentence therefore reads as follows:

"No gross receipt, income, or like forms of taxes will be imposed, levied or collected by the Imperial Iranian Government or any subordinate governmental authority on the income heretofore earned or received by any member of the Armed Forces of the United States of America, or by the agencies and employees aforesaid resulting from their employment by or connected with the armed forces of the United States of America;"

HULL

811.24591/19 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 20, 1943—4 p. m.

[Received November 20—3:48 p. m.]

1064. Department's 579, November 18. Request Department's authorization to delete phrase "and who are not members of the armed forces of the United States of America" on line 4 of page 4 and on line 11 of page 6 of draft treaty since Foreign Office now states that phrase is thoroughly objectionable wherever it occurs.

Although I personally feel that the language of article III as it now stands is somewhat confusing, Iranians are willing and ready to sign the agreement if these deletions are made.

I am most anxious for an early reply to avoid postponing unnecessarily my departure for the United States.⁶⁸

DREYFUS

811.24591/19 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, November 24, 1943—3 p. m.

588. War Department asks that you obtain General Connolly's comment on changes requested in your telegram no. 1064, November

⁶⁸ Regarding the Minister's departure for the United States, see his telegrams No. 1045, November 4, 9 a. m., and No. 1059, November 13, 9 a. m., pp. 400 and 410, respectively.

20, 4 p. m. War Department is prepared to act as soon as comment is received.

War Department desires this because Connolly has authority to enlist certain men such as interpreters.

HULL

811.24591/20 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 30, 1943—6 p. m.

[Received November 30—2:12 p. m.]

1082. Proposed draft of executive agreement on presence of United States troops in Iran has been submitted for comment to Connolly, as directed in Department's 588, November 24. He says his command "has no objection to the deletion from this treaty of the words 'and who are not members of the armed forces of the United States of America' wherever this expression occurs in text".

General Connolly, however, raises the question of jurisdiction in criminal cases of American troops in Iran. The procedure as outlined in Department's 20, January 11, while unacceptable to Iranian Government in absence of agreement legalizing status of our troops here, may be followed immediately the general agreement has been signed and thus should satisfactorily dispose of this point.

It should be noted that criminal offenses committed by American troops in Iran are now being tried by American authorities under general provisions of international law, as is the case with both British and Soviets. Furthermore Iranian Government up to now has not questioned the jurisdiction of American military authorities over their own troops. I urge, and General Hurley,⁶⁹ who negotiated with General Connolly in this matter on my behalf, concurs, that immediate authorization to sign this agreement be telegraphed as Iranian Government wishes to conclude matter while certain persons are still in Iran.

DREYFUS

811.24591/20 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, December 2, 1943—4 p. m.

612. War Department states that it has no objection to deletion of the expression quoted in first paragraph of your telegram no. 1082, November 30, 6 p. m., and you are authorized to delete it.

⁶⁹ Brig. Gen. Patrick J. Hurley; for correspondence relating to General Hurley's visit to Iran at this time as Personal Representative of the President, see pp. 392-427, *passim*.

You are also authorized to conclude an agreement with the Iranian Government regarding jurisdiction in criminal cases of American troops in Iran, provided such agreement is acceptable to General Connolly.

HULL

Tehran Legation Files, Lot F-150

Memorandum by the Minister in Iran (Dreyfus)

[TEHRAN,] December 8, 1943.

Memorandum for the files, concerning the negotiations for the Agreement to Legalize the Presence of American forces.

Yesterday and today I spent several hours at the Foreign Office continuing the negotiations for the agreement to Legalize the Presence of American forces in Iran with the Minister for Foreign Affairs and the Minister for Posts and Telegraphs. Judging from the latter's participation, he is one of the Treaty Experts of the Iranian Government. This morning we were joined by the Prime Minister. Each article was taken up separately and analyzed by them in Iranian and when each article had been examined the result of the deliberations was communicated to me.

The principal objections were: In Article III to the word "hereafter" line 10, page 4 of revised draft, inasmuch as exemptions were not approved from tax liability on income previously received. I do not believe the Iranians had in mind to collect any such back taxes but they preferred not to restrict their rights in this manner. They sensed that there might be objections in the Majlis to this language. In Article VI to the clause regarding the ownership and disposal of property in Iran as well as to the part referring to the enjoyment by all States of access on equal terms to the trade and to the raw materials of the world.

I pointed out that it seemed rather strange that there should be objection to the above now after I had been assured that the Iranian Government was ready to sign the agreement if only the slight changes were made referred to in my tel. 1082⁷⁰ striking out the clause "who are not members of the armed forces of the U.S."

The Minister of Posts who was the spokesman at this meeting explained that opposition had developed when the matter was brought before the Cabinet for final approval. He said that some of the Ministers had expressed the view that the language of the agreement was too far-reaching and that if the pact were signed it might give the "suspicious" Russians and the British an opportunity to obtain simi-

⁷⁰ November 30, p. 483.

lar privileges and they would take advantage of this means to grab or wring equal concessions or privileges which might be used to the detriment of the Iranians.

The Foreign Minister to give us an example of what might occur referred to the Macou Railroad which had been built by the Russians during the last war and also the road from Kazvin to Tabriz which the Russians held and refused to return to Iran until the signature of the Treaty of 1921.⁷¹

The Minister of Posts explained that the Iranian Government had now decided that it would be willing to negotiate with the American Government an agreement patterned after the Anglo-Soviet-Iranian pact eliminating the clause which provided for the defense of Iran against attack and including the language of Article VIII of our draft which stipulates that certain action under the present agreement will be undertaken only after consultation with the appropriate Iranian, British and Soviet authorities.

When I explained that the agreement had been proposed chiefly to legalize the presence of American troops in Iran and inquired as to the possibility of finding some brief formula to accomplish this, the Foreign Minister said that he would be glad to study this question and let me know the result in due course. He expressed the view that this might very well be accomplished through a simple declaration or exchange of notes and that this might be considered.

Ali Ardalan, the Chief of the 3rd Political Division who departed on November 27th for Ankara where he will be Counselor of the Iranian Embassy, had told me and other members of the Legation over and over again that Iran was ready to sign the agreement. The last request on the part of the Iranians was for the elimination of the clause "who are not members of the armed forces of the U.S." Apart from that minor change the final Iranian and American texts had been agreed to. A conservative official like Ardalan could never have made these commitments about signing as recently as ten days ago without the full approval of the Foreign Minister. Besides, it will be recalled that at various times the press and also members of the Majlis had urged the necessity of negotiation [of] an agreement to legalize the presence of U.S. troops in Iran. What therefore is the explanation of this change of mind? In my opinion, the unfortunate incident arising from the non-return by President Roosevelt of the Shah's visit during the recent Conference⁷² may have brought about

⁷¹ Treaty of Friendship, between Persia and the Russian Socialist Federated Soviet Republic, signed at Moscow, February 26, 1921, League of Nations Treaty Series, vol. ix, p. 383.

⁷² For correspondence on the Tehran Conference between President Roosevelt, British Prime Minister Churchill, and Soviet Premier Stalin, see *Foreign Relations*, The Conferences at Cairo and Tehran, 1943.

this change of attitude on the part of the Iranians. I fear that this incident may not be forgotten for sometime by those Iranians who know about it. It was very unfortunate that the negotiations were so protracted. It must be explained that the delays did not occur in the Legation.

The Foreign Minister promised to give me a reply in writing by tomorrow explaining in detail the Iranian objections to the proposed draft. We shall then be able to telegraph the Department that the negotiations have come to nought and that in view of this situation I plan to proceed home on leave immediately.

L[OUIS] G. D[REYFUS,] JR.

811.24591/22 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, December 10, 1943—noon.

[Received December 10—10:50 a. m.]

1103. Iranian Government has interposed last minute objections to proposed agreement covering American troops in Iran. Department's telegram No. 612, December 2, 4 p. m. and extensive previous correspondence. Foreign Minister advised me that changes now desired are being transmitted to his Minister at Washington, and has handed me copy of his covering instructions which indicate that no possibility exists of any immediate conclusion of agreement. Report covering present status of discussions is being forwarded by air.

In view of these circumstances I now propose to depart on my deferred home leave by next ATC⁷³ plane.

DREYFUS

811.203/369

The Minister in Iran (Dreyfus) to the Secretary of State

No. 755

TEHRAN, December 11, 1943.

[Received December 23.]

SIR: I have the honor to enclose copies of an exchange of correspondence between the Legation, the Iranian Foreign Office, and the Commanding General of American Forces in Iran, regarding the pending question of Jurisdiction in criminal cases involving American troops in Iran.⁷⁴ As indicated in this correspondence, the Legation has informed the Foreign Office, at the request of General Connolly, that it considers its Note No. 341, dated January 18, 1943, which was presented on instructions contained in the Department's telegram No.

⁷³ Air Transport Command.

⁷⁴ Correspondence between the Legation and the Iranian Foreign Office not printed.

20 of January 11, 1943, 11 p. m., and to which no reply was ever received, as having been withdrawn from further consideration.

Respectfully yours,

LOUIS G. DREYFUS, JR.

[Enclosure]

*The Commanding General, Persian Gulf Service Command
(Connolly) to the Minister in Iran (Dreyfus)*

TEHRAN, December 6, 1943.

MY DEAR MR. MINISTER: Receipt is acknowledged this date of Note Number 341, dated January 18, 1943, addressed to His Excellency, Mohammed Saed, Imperial Minister of Foreign Affairs, together with an attached memorandum which states that the Note has not been answered in writing and that the Iranian authorities have stated orally that they are not prepared to sign an agreement of jurisdiction in criminal cases until after the general agreement on presence of American troops has been concluded.

An examination of the Note discloses that certain changes would be desirable. It is further believed that it would be much more practical if the matter of criminal jurisdiction could be worked out jointly with the other Allied Forces in Iran so that there would be uniformity on the question of criminal jurisdiction among all the Allied Forces.

In view of the above and inasmuch as the Iranian Minister of Foreign Affairs has not replied to this Note in which event it would have placed the same on record as an understanding between our Government and the Iranian Government, it is respectfully requested that immediate action be taken to temporarily withdraw Note Number 341.

Very truly yours,

DONALD H. CONNOLLY

IRANIAN CHARGES OF MISCONDUCT ON THE PART OF AMERICAN TROOPS IN IRAN; COMPLAINT REGARDING CERTAIN ACTION BY AMERICAN MILITARY AUTHORITIES IN SOUTHERN IRAN

811.24591/5

The Minister in Iran (Dreyfus) to the Secretary of State

No. 518

TEHRAN, April 14, 1943.

[Received April 24.]

SIR: I have the honor to enclose a copy of the translation of a note from the Ministry of Foreign Affairs, dated April 6, 1943, containing charges of misconduct on the part of American troops now engaged in operating the Iranian State Railroad between Tehran and

Khorramshahr, Iran, together with a copy of my reply, dated April 9, 1943, which indicates that the charges were entirely without foundation.

This correspondence is brought to the Department's attention because of the unusually strong and somewhat threatening language used in the second paragraph of the Ministry's note which is shown by my reply to have been entirely uncalled for in this instance and for which there has been no justification in the conduct of American troops in Iran up to this time, as far as this Legation is aware. It is true that a number of other reports of alleged misconduct have been brought to the Legation's notice by the Ministry of Foreign Affairs during the past two or three months, but investigation has invariably shown that the charges were unfounded or that the culprits had been speedily and adequately punished by the American authorities and that damages to Iranian interests had been promptly and fully compensated. It is for these reasons that I included the suggestion in my note to the Ministry of Foreign Affairs that it refuse to consider unjustified charges that might be made to it of misconduct on the part of American troops in Iran.

Respectfully yours,

LOUIS G. DREYFUS, JR.

[Enclosure 1—Translation]

*The Iranian Ministry for Foreign Affairs to the American Legation
in Iran*

No. 858/246

[TEHRAN,] April 6, 1943.

NOTE VERBALE

The Imperial Ministry of Foreign Affairs presents its compliments to the Legation of the United States of America and has the honor to state that according to a report received from the authorities concerned on Sunday Farvardin 14, 1322 (April 4, 1943) several Americans of the Tehran Railway Station went in a truck to the iron smelting foundry at Karaj, entered the factory and the store and took on their truck a quantity of refractory material. This action has been repeated and a number of Americans with trucks have gone to the Government stores and carried away articles without authorization, whereas in accordance with regulations it is as a rule forbidden to enter factories.

The Imperial Ministry of Foreign Affairs requests the Legation of the United States of America to make the necessary investigation and to issue emphatic instruction to the end that the American authorities concerned may stop the recurrence of such incidents and to restore the articles taken, advising the Ministry of the result. However, if the American Government and officials sent here consider themselves

within their rights to be able to seize and take away property belonging to the Iranian Government, it is requested that the Ministry may inform the Imperial Government of this undesirable attitude of the American officials, and the necessary decision may be taken.

The list of articles carried away from the stores will be brought to the Legation's knowledge on a later date.

[Enclosure 2]

*The American Legation in Iran to the Iranian Ministry for
Foreign Affairs*

No. 399

The Legation of the United States of America presents its compliments to the Imperial Ministry for Foreign Affairs and has the honor to acknowledge the receipt of the Imperial Ministry's Note No. 858/246, dated April 6, 1943, which refers to a report from certain authorities that, on April 4, 1943, several Americans from the Tehran Railway Station took refractory materials from the Imperial Iron Foundry at Karadj without authorization, and requests that instructions be issued to stop incidents of this kind and to restore the materials taken away.

The Legation has now received from the Commanding General of the American Forces in Iran ⁷⁵ a report, together with copies of supporting documents, which shows that the materials referred to consisted of fire brick and fire clay required for the Iranian State Railways; that they were ordered by the Minister of Roads of the Ministry of Industries and taken with the consent of the Minister of Commerce and Industries; that they were taken with the knowledge and consent of the authorities in charge of the Imperial Iron Foundry at Karadj to whom receipts were given for these materials; and that the materials will be paid for by the Imperial State Railways to the Department of Mines. Documentary evidence to prove all of these statements can be produced at the Imperial Ministry for Foreign Affairs, if desired.

It appears that the action of the Americans concerned was taken with the complete knowledge and approval of the Iranian officials in charge of the Imperial Ministries concerned and that it was in the interests of the Iranian State Railways. In view of the unjustified suggestions contained in the second paragraph of the Imperial Ministry's Note under acknowledgement the Legation assumes that the accuracy of the report of the incident made to the Imperial Ministry was not investigated before reference to the Legation. It hopes that,

⁷⁵ Maj. Gen. Donald H. Connolly, Commanding General, Persian Gulf Service Command.

in future, unjustified charges of misconduct on the part of American troops in Iran will not be given serious consideration by the Ministry.

The Legation avails itself [etc.]

TEHRAN, April 9, 1943.

811.24591/6a : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, May 21, 1943—6 p. m.

250. Iranian Minister here has been instructed to take up with Department question of relations between American military authorities in southern Iran and local Iranian officials. As we understand it, Iranian Government complains that American officers give orders direct to Iranian officials instead of taking up matters through proper channels.

Minister states this question has been discussed with you by Iranian Foreign Office.

Please let us have any information you have and report steps you may have taken to resolve the difficulty.

HULL

811.22/333

The Minister in Iran (Dreyfus) to the Secretary of State

No. 579

TEHRAN, June 10, 1943.

[Received June 24.]

SIR: I have the honor to enclose a list of incidents in which members of the American armed forces in Iran have been involved and which have called for rather voluminous exchange of notes between the Legation and the Foreign Office.

These incidents cover a period of more than a year. They have not been brought to the Department's attention prior to this date because they have reached serious proportions only within the last few months. Many of these accidents and incidents are trivial and in a number investigation has shown that no blame could be attributed to the Americans involved. However, the growing volume of complaints from the Foreign Office about the conduct of the American troops and the frequency of automobile accidents have made it necessary to report the matter in detail. I would prefer, of course, to send the Department copies of all correspondence upon the subject but regret that it is much too bulky for my staff to cope with. The enclosure will give the Department a general picture of the nature and frequency of the incidents which have tended to make each successive note from the Foreign Office sharper in tone.

I realize that when a great body of troops are moved into a foreign country, there are bound to be a number of incidents offensive to the nation playing host no matter how sincerely the guests may endeavor to prevent them. However, their volume in Iran is alarming and I fear that if there is no improvement in this situation, our position in Iran may deteriorate. The incidents of drunkenness are particularly offensive to a Mohammedan people. The automobile accidents cannot be prevented entirely since fast driving is often necessary in the all-important job of moving war material to the Soviet Union. It must be remembered, too, that Iranian pedestrians are extremely careless and are often responsible for accident. Many of the accidents have been caused by Iranian chauffeurs rather than by American personnel.

There is no doubt that the numerous accidents and the rather frequent incidents of drunkenness and rowdiness have had an adverse effect on American prestige in Iran. However, as I pointed out before our forces came to this country and have remarked subsequently, this was to a certain extent unavoidable. I am not yet prepared to state that the conduct of our forces is much worse than the average of occupying forces. . . . I suggest that for the moment we keep an open mind on the subject, meanwhile making every endeavor to bring about an improvement. I will keep the Department fully informed of developments.

Respectfully yours,

LOUIS G. DREYFUS, JR.

[Enclosure]

1. Note No. 6721/693 from Foreign Office dated May 24, 1942, A laborer was hit by a car driven at high speed by a member of the Greely Mission. Damages were paid.

2. Note No. 15112/1675 from Foreign Office dated August 12, 1942, concerning the injury to a gardener by a car driven by Lieutenant William Stewart. Officer in question gave the injured man 350 rials. No further damages were claimed.

3. Note No. 15494/1742 from Foreign Office dated August 18, 1942. Case of alleged drunken driving by American officer on Shimran road. Military paid 3,000 rials damages to woman who was hit.

4. Telegram from Consulate at Tabriz concerning arrest of Sergeants Conyers and McIlwain for beating up several Iranians. Army promised to punish the culprits.

5. Note No. 24728/3028 from Foreign Office dated November 12, 1942, concerning damage to Iranian Police car by an American army car. Foreign Office requests 300 rials for damage done. This amount was paid and Police Adviser Timmerman released army from any further claims.

6. Note No. 25322/3187 from Foreign Office dated November 18, 1942. Civilian truck driver of Douglas Aircraft hit and killed an unidentified woman. Iranian courts absolved the driver.

7. Note No. 25768/3298 dated November 23, 1942, from Foreign Office concerning fatal injury to Iranian woman by car driven by American officers. Foreign Office requests punishment and damages. Army, on May 20, reported inability to locate the heirs so that it was impossible to start negotiations for damages.

8. Note No. 28002/4011 from Foreign Office dated January 6, 1943, concerning automobile accident in which 5 Iranians were injured. No damages were requested. Iranians were given American hospital treatment.

9. Note No. 29306/4098 from Foreign Office dated January 11, 1943, concerning Iranian who fell off an army bus. Army states matter must be referred to a Claims Commission.

10. Note No. 29310/4105 from Foreign Office dated January 11, 1943, concerning damage to a municipal bus by a U.S. Army truck, caused allegedly by the high speed of the latter. 6,000 rials requested. Army says it will have to be referred to a claims commission.

11. Note No. 31183/4298 from Foreign Office dated January 24, 1943, concerning damage done to Iranian Army car by American Army car. Foreign Office requested payment; army stated on February 2 that matter was under investigation.

12. Oral complaint by Colonel Ross of British Army about civilian employee Holt being drunk and disorderly at Hotel Darband where he struck a Russian. Army promised to reprimand him.

13. Letter dated February 24, 1943, from Persian Gulf Service Command concerning fatal shooting of Mohammad Ali Azhdar by American sentry. Foreign Office requests damages and army asks relatives to make a formal claim.

14. Note No. 34477/5031 from Foreign Office dated February 27, 1943, concerning killing of Iranian by Army water tanker. Damages were apparently paid.

15. Note No. 588/134 from Foreign Office dated April 4, 1943, concerning murder of one Aziz, laborer for U.S. forces, by American troops pursuing an Arab woman. Army says case is in abeyance while Arab witness is being sought.

16. Note No. 796/222 from Foreign Office dated April 5, 1943, concerning drunken American soldiers shooting out the lights in the National Park at Arak. Army says investigation is being made and Americans, if any are involved, will be punished.

17. Note No. 1476/441 from Foreign Office dated April 14, 1943, concerning injury to Iranian cab driver by an American army car. Foreign Office requests damages. Army has been unable to locate the driver.

18. Note No. 1600/483 from Foreign Office dated April 15, 1943, concerning fatal accident involving an unidentified woman, hit by American army car. Foreign Office requests investigation and punishment. No answer yet.

19. Note No. 1602/460 from Foreign Office dated April 15, 1943, concerning injury to a policeman by an "Allied" car in Tehran. Foreign Office requests punishment. No answer yet.

20. Note No. 1864/557 from Foreign Office dated April 16, 1943, concerning fatal accident involving army truck and pedestrian near Arak. Foreign [Office] requests damages. No answer yet.

21. Note No. 1860/543 from Foreign Office dated April 18, 1943, concerning injury to a pedestrian by an American car. Foreign Office requests damages and punishment. No answer yet despite follow-ups by both Foreign Office and Legation.

22. Letter dated around April 18, 1943, from S. Nikkæ concerning damage done his car by American truck. No answer yet.

23. Letter from Basra Consulate dated April 19, 1943, concerning the theft of a barrel of Arak at Bushire by American soldiers. No complaint received. No action taken.

24. Note No. 1070/297 from Foreign Office concerning quarrel between two American Foley Bros. employees. Foreign Office requests they be turned over to Iranian authorities. Army tried them by court martial and acquitted them.

25. Note No. 2450/688 from Foreign Office dated April 24, 1943, concerning fatal injury to a four year old child. Foreign Office points out increased number of accidents caused by American recklessness and requests damages. Army absolved driver of all blame.

26. Note No. 2452/691 from Foreign Office dated April 24, 1943, concerning injury to Iranian woman by American car. Foreign Office requested damages. Driver was exonerated by Persian Gulf Service Command.

27. Note No. 383 from Foreign Office dated April 26, 1943, concerning an incident on the railway in which 3 American soldiers attacked two women. Foreign Office requested punishment and steps to prevent such occurrences. Army found one soldier guilty and he will be tried by court martial. Convicted soldier has agreed to pay for the damage done to the train.

28. Note No. 4097/881 from Foreign Office dated May 1, 1943, concerning injury to old pedestrian in Arak. Foreign Office requests punishment and damages. No answer yet.

29. Note No. 4101/865 from Foreign Office dated May 1, 1943, concerning the damage done to a store in Arak by drunken American soldiers. Foreign Office requests culprits be punished. No answer yet.

30. Note No. 4217/866 from Foreign Office dated May 2, 1943, concerning fatal shooting of Iranian accused of stealing military stores in Andimeshk. American responsible was tried by Court Martial and given life sentence at hard labor.

31. Note No. 5059/1159 from Foreign Office dated May 10, 1943, concerning three truck accidents killing members of the Lur tribe in April. Foreign Office requests punishment and damages. Still under investigation by army.

32. Note No. 5037/1095 from Foreign Office dated May 10, 1943, concerning fatal accident involving army truck and a bicycle. Foreign [Office] requests punishment and damages. Army says accident.

33. Note No. 5057/1158 from Foreign Office dated May 10, 1943, concerning an incident in which an American soldier apparently struck a cook's boy causing blood to flow from his head and face. Foreign Office states Iranian police saved the American from an angry crowd. Foreign Office requests punishment of offender and steps to prevent the recurrence of such incidents. No answer yet.

34. Note No. 5041/1101 from Foreign Office dated May 10, 1943, concerning damage to private car by American truck driven by an Iranian who did not possess a driver's license. Foreign Office requests driver be turned over to Iranian police. No answer yet.

35. Personal complaint at Legation on May 14, 1943, by newsboy who says he was shot in the hand by an American sentry. Matter taken up with Military but no answer yet received.

36. Note No. 5435/1325 from Foreign Office dated May 16, 1943, concerning fatal killing of a laborer by a railroad train driven by an American engineer. Foreign Office requests damages. No action yet taken.

37. Note No. 6449/1333 from Foreign Office dated May 16, 1943, concerning injury to pedestrian by "Allied" automobile. No answer received as yet.

38. Note No. 5463/1320 from Foreign Office dated May 16, 1943, concerning the killing of a mule by an American automobile. Foreign Office requests damages. No answer yet.

39. Note No. 5461/1319 from Foreign Office dated May 16, 1943, concerning an incident in Arak where two Americans tried to molest a woman, grappled with a gendarme, made outrageous demonstrations in front of a woman's bath, and fired on the crowd that had gathered. Foreign Office requests that emphatic orders be given that American soldiers refrain from such demonstrations. No answer yet.

40. Note No. 5453/1335 from Foreign Office dated May 18, 1943, concerning the inability of Iranian customs officials to control contraband on Ahwaz-Khorramshahr line as the station is in the middle of British and American camps. Foreign Office wishes to establish a control post at the station. No answer yet.

41. Note No. 5427/1321 dated May 16, 1943, from Foreign Office concerning the wounding of an American soldier by an Iranian who allegedly was trying to assist a woman the American had in a droshky. Foreign Office requests the case be handled by Iranian police. No answer yet.

42. Note No. 5439/1321 from Foreign Office dated May 16, 1943, concerning a fatal accident to pedestrian by "allied" car. Foreign Office requests damages if the car was American. No answer yet.

43. Note No. 5893/1408 from Foreign Office dated May 19, 1943, concerning an incident in which an American on a passing bus grabbed a woman and dragged her to him. She escaped, screaming. Attracted by her screams, a laborer approached and was fired upon by the driver of the American bus. Note also reports incident of drunken Americans at the Railway station beating and knifing an Iranian policeman; incident of drunken Americans knocking on peoples' doors in Shimran; and an incident in which two American soldiers left Cafe Shemshad without paying their bill and broke the windows. Foreign Office requests punishment for these incidents and that steps be taken to prevent their recurrence. No answer yet.

44. Note No. 5869/1404 from Foreign Office dated May 19, 1943, concerning injury to Government employee by "Allied" car. Legation told Foreign Office it would investigate if it could be established that an American car was involved.

45. Note No. 5951/1469 from Foreign Office dated May 19, 1943, concerning injury to cartman and killing of his horse by an American army truck. Foreign Office requests punishment and damages. No answer yet.

46. Note No. 5941/1462 from Foreign Office dated May 19, 1943, concerning case in which two bodies were brought to Iranian Police at Andimeshk. The Americans reported that their death was due to an automobile accident. Examination, however, revealed they had been killed by rifle wounds. Foreign Office requests careful investigation, punishment, and damages. No answer yet.

47. Note No. 5953/1410 from Foreign Office dated May 20, 1943, concerning fatal injury to laborer by U.S. army truck. Foreign Office requests punishment and damages. No answer yet.

48. Note No. 817 from Foreign Office dated May 25, 1943, concerning quarrel between American soldiers and an Iranian foreman in which the latter died of a bayonet wound. Foreign Office requests punishment and damages. No answer yet.

49. Letter from Persian Gulf Service Command dated March 22, 1943, concerning wounding of native who was apparently stealing iron pipes. Foreign Office informed by Legation no complaint was ever received. Man was given hospital treatment by the army.

811.24591/7 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, June 15, 1943—10 a. m.

[Received 11:45 a. m.]

623. Department's 250, May 21. Foreign Minister states that when he instructed Minister in Washington to take up with Department question of relations of American military and Iran authorities in south Iran, he had particularly in mind following incident:

Foreign Office in note of May 11 charged that PGSC⁷⁶ proceeded arbitrarily at Bandarshapur in demolishing Customs buildings and insisting on reduction of Iranian Customs personnel. Connolly replied June 7 to effect that incident is based on misunderstanding that buildings were demolished with approval of Iran officials, that Customs director himself originated idea of reducing Customs personnel and that head of Customs states he has received every consideration from PGSC. Connolly added that PGSC has no intention of encroaching on Iranian rights and expressed hope that similar misunderstandings will not arise in future.

I submitted Connolly's reply to Foreign Office under cover of note in which I expressed hope and belief that full and frank explanation given would clear up any misunderstanding and subscribed to assurances given by the General. I delivered the note personally to Foreign Minister who was much pleased with its contents and tone and promised to state this fact in an early note. All correspondence in case being sent Department by air.

Foreign Minister has expressed to me informally his dissatisfaction with large number of incidents especially traffic accidents involving members of PGSC. I must admit that volume is alarming. See despatch 579, June 10. However, the operations involving transport of war supplies to Russia are important and urgent and a certain number of incidents is inevitable. I do not observe any widespread disregard of Iranian rights by American Army nor any gross carelessness by American drivers. I was pleased at friendly and conciliatory tone of Connolly's reply in present case. This and my personal explanation to Foreign Minister seem to have disposed satisfactorily of this particular case.

DREYFUS

⁷⁶ Persian Gulf Service Command.

811.22/337

The Minister in Iran (Dreyfus) to the Secretary of State

No. 591

TEHRAN, June 24, 1943.

[Received July 8.]

SIR: With reference to my Despatch No. 579 dated June 10, 1943 concerning traffic accidents and incidents of misconduct involving personnel of the United States Army in Iran, I have the honor to enclose another list of such occurrences which have come to the attention of the Legation since the list enclosed in my previous despatch was prepared.

There are also enclosed two copies of notes⁷⁷ from the Foreign Office as typical examples of the sort of communications the Legation is receiving daily. One of these is very representative of the accident type of note and it will be noted from it and from the enclosed list that the great majority of the accidents involve pedestrians. In a great many cases the investigations conducted by the appropriate authorities of the Persian Gulf Service Command show that no fault could be attached to the American drivers involved. By American standards this is undoubtedly true, and the drivers would, without question, be absolved of all blame in any traffic court in the United States. It is impossible, however, to expect the oriental Iranian pedestrian to behave when alarmed by an approaching automobile in the same manner that a similar person would in the United States. The reflexes of the Iranians, to whom the automobile is still a comparatively recent innovation, are relatively slow, and by the time the pedestrian endeavors to get out of danger it is apt to be too late.

General Connolly in a letter to me dated June 14, stated his serious concern over the number of automobile accidents and listed the steps he was taking to reduce them, consisting of the institution of traffic patrols and orders to his command to adhere to fixed speed limits. No improvement has been noticeable to date, however.

The question of misconduct and drunkenness is becoming increasingly serious and I am asking General Connolly to give the matter serious consideration. I will report more fully on the subject in a separate despatch.

There are many more disgraceful incidents that have come to the notice of the Foreign Office and the reputation of the American soldier in Tehran is at about the lowest ebb possible.

Needless to say the Iranians are getting thoroughly tired of these incidents, and the tone of the notes from the Foreign Office is becoming increasingly strong. The Foreign Minister has personally

⁷⁷ Neither printed.

expressed to me his concern over the growing number of these cases, and it is clear that if nothing is done to correct the situation in the near future our prestige in Iran will suffer serious damage.

Respectfully yours,

LOUIS G. DREYFUS, JR.

[Enclosure]

1. Note No. 1728/6759 from Foreign Office dated May 30, 1943 concerning complaints from citizens of Kazvin about the drunken conduct of American troops which involve accosting women, entering houses, etc.

2. Note No. 1703/6699 from Foreign Office dated May 30, 1943 concerning shooting of an Iranian at Atak by an American sentry. Foreign Office requests investigation and payment of damages.

3. Note No. 1704/6737 from Foreign Office dated May 30, 1943 concerning fatal accident to Iranian woman pedestrian who was struck by an American Army automobile. Foreign Office requests punishment and damages.

4. Note No. 1807/7061 from Foreign Office dated June 3, 1943 concerning fatal accident to Iranian girl and injury to her brother. Foreign Office requests punishment and damages.

5. Note No. 7057/1805 from Foreign Office dated June 4, 1943 concerning fatal accident to a twelve year old Iranian boy. This appears, from the Foreign Office note, to be a hit and run case. The Foreign Office requests the Army to adhere to its promise of having every driver involved in an accident identify himself to the Iranian authorities at the scene of the accident. Punishment and damages are requested.

6. Note No. 7215/1893 from Foreign Office dated June 6, 1943 concerning complaint from a Kazvin landowner that American soldiers had camped on his lands and destroyed his pea plantation. Furthermore, that they were proposing to erect a pump to take water from his *qanat* and had permitted an Iranian to dig clay from his land for the purpose of making bricks.

7. Note No. 7421/1831 from Foreign Office dated June 6, 1943 concerning complaints from the Ministry of Posts, Telegraphs, and Telephone that American Army tractors leveling ground at Dizful had destroyed three telegraph poles, pulling the wires down and interrupting communication with Andimeshk. After this destruction, the Americans erected a barbed wire fence around the area of operations and forbade admission to the site. The Iranian authorities have had to refuse to accept telegrams addressed to Andimeshk. The Foreign Office requests that care be taken not to damage the wires of the country and that when damage is done, the Iranian linemen be permitted to repair the damage.

8. Note No. 7947/2174 enclosed.

9. Note No. 7759/1987 from Foreign Office dated June 9, 1943 concerning an incident in Arak concerning the seizure and wrecking of a carriage by seven drunken American soldiers. Foreign Office requests investigation, punishment, and damages.

10. Note No. 8197/2116 from Foreign Office dated June 14, 1943 concerning injury to a pedestrian by an American Army automobile in Tehran. Foreign Office requests punishment.

11. Note No. 8143/2117 enclosed.

12. Note No. 8655/2241 from Foreign Office dated June 20, 1943 concerning fatal injury to pedestrian in Tehran struck by an American Army truck. Foreign Office requests punishment and damages.

13. Note No. 8653/2262 dated June 20, 1943 from Foreign Office concerning fatal injury to a child in Tehran, struck by an Allied truck. The truck has not been definitely identified as being American.

811.22/338

The Minister in Iran (Dreyfus) to the Secretary of State

No. 592

TEHRAN, June 26, 1943.

[Received July 8.]

SIR: I have the honor to enclose a copy of a letter I addressed to General Connolly under date of June 26, 1943, regarding the conduct of American forces in Iran.

This letter, taken together with my despatches 579 of June 10 and 591 of June 24, will, it is believed, inform the Department fully as to the conduct of American forces in Iran. The situation is, in my opinion, wholly unsatisfactory, an opinion which is shared by the Foreign Minister and other high ranking officials, as well as by the average Iranian citizen. The fire is still smouldering but may at any time break out into full flame. The Iranians are reluctant to criticise us openly by official statement or in the press because they like us and have pinned their hopes on our aid. . . . However, a few of the more excitable are coming out into the open with criticism of us, perhaps the opening gun of a fuller and more violent general attack. The editor of *Eqdam* in a leading editorial of June 23, which was primarily a bitter attack on Dr. Millspaugh's⁷⁸ order requiring the registration of all passenger cars, ended with the following bitter comments:

"The country which has supplied us with advisers has a strong army in our land. They have occupied our country without a treaty. The members of the armed forces throw bottles of liquor on the heads of

⁷⁸ Arthur C. Millspaugh, American Administrator General of Finances in the Iranian Government; for correspondence on the Millspaugh Mission, see pp. 510 ff.

our people in broad daylight. Their advisers dominate us by force of such regulations. Wait until we see the ignominy of this regulation after five or six days of its operation. Then we will say that Iran was saved from one form of oppression only to be made subject to a thousand different kinds of coercion. We write and make statements and do not fear anyone."

What are the reasons for the poor conduct of American forces in Iran? Army officers in Tehran on special assignment outside the Persian Gulf Service Command are unanimously of the opinion that it is caused by the fact that the Persian Gulf Service Command is not an army at all. It is a potpourri of civilians in uniform, hastily assembled to do a special job in Iran. As a unit it is sadly lacking in cohesion, morale, military discipline, training and knowledge of military tradition. The morale of the men and officers, who have to do a dull task under difficult conditions and without the thrill of front line danger, is low. Most of them think and talk mostly of wanting to get back home to the United States. . . . The men get ineffective leadership from their officers, who are concerned almost entirely with the overriding problem of getting supplies to Russia. Almost all of the officers are civilians recently inducted into the army. They lack any knowledge of military tradition or idea of how to instill and require discipline. A high ranking American army officer here on detached duty is appalled at the poor morale and discipline of the American army in Iran and places the blame squarely on the shoulders of the general staff.

I have taken some pains to explain to General Connolly in the enclosed letter something of the American position in Iran and how it may be adversely affected by poor conduct on the part of our forces. I hope that, as a result of this approach, there will be an improvement in the situation. If not, I shall return to the Department with a request that drastic measures be taken.

Respectfully yours,

LOUIS G. DREYFUS, JR.

[Enclosure]

The Minister in Iran (Dreyfus) to the Commanding General, Persian Gulf Service Command (Connolly)

TEHRAN, June 26, 1943.

MY DEAR GENERAL CONNOLLY: I regret the necessity, at this time when I know you are burdened with many important problems, of bringing to your attention once more the question of the conduct of American forces in Iran.

The general subject of the reaction of Iranians to the conduct of American forces in Iran, a question which preoccupied me for several

weeks past, was brought forcibly to my mind by receipt of a letter from an Iranian girl complaining of the conduct of two Indian soldiers. While the letter does not pertain to the conduct of American forces, it does, I feel, typify the attitude and feelings of a large part of the Iranian community toward American as well as British soldiers. . . .

You are already aware of the large and increasing number of complaints being received from the Foreign Office regarding incidents involving American forces. While many of the cases are exaggerated or are found on investigation not to involve Americans, their number is alarming both to me and to the Foreign Office. More important, however, than these cases is the strong and growing undercurrent of feeling among Iranians that the conduct of Americans in Iran leaves much to be desired. . . . I regret to state that I hear reports from all sides of drunkenness, disorderly conduct and molestation of women by American officers and men. It is reported, and widely believed, that the recent ban on dancing was put into effect because of the poor conduct of American officers and men in the various cafes and cabarets in Tehran. Many of these reports are, I am sure, exaggerated or untrue but their volume and the almost unanimous degree to which they are believed by the Iranian public, is truly alarming.

It might be useful here, in considering this general question, to consider very briefly the American position in Iran. Direct American interest in Iranian political affairs is a new departure and arises primarily out of Iran's strategic location in relation to the Russian supply line. It is, however, also based on a deep-seated and traditional American desire to help less fortunate nations which turn to us for assistance. We were peculiarly well placed to serve as a friend and benefactor to Iran when this country turned to us for help after the invasion of August, 1941, because we had already won a high place in the esteem of Iranians and an enviable reputation among all Iranian classes. This reputation was based on a century of good deeds in Iran. It was born of numerous unselfish acts such as the foundation and operation of schools and hospitals and unstinted relief in times of famine or emergency. Consequently, when Iran turned to the United States for help and guidance in an hour of need, we could not, for both strategic and sentimental reasons, refuse. We have now committed ourselves to giving Iran all the economic assistance possible within the limits imposed by our shortage of materials and shipping space. We have further, on direct Iranian request, agreed to provide American advisers in various branches of government, to enable the Iranians to regain a sound economy and rebuild their shattered political structure. In this we are inspired by no selfish motives but

are merely endeavoring to help an unfortunate people who have turned to us in time of need.

Iranian good will is the very keystone of American endeavor in Iran. It is because the poor conduct of our forces in Iran may jeopardize this good will, and hence neutralize our efforts, that I am thus stating the case somewhat at length.

There are many Americans here who will say that the Iranians do not deserve help because they do not help themselves. Others will remark that we have no obligations toward Iran. Still others declare that the Iranians are a corrupt people unworthy of assistance. It is common to hear American officers say that the Americans are here only to transport war supplies to Russia and hence have no interest in the welfare of the Iranians. These views are not in keeping with the traditional American spirit nor do they correspond with the policy of the United States Government as I understand it. American officials in Washington are coming increasingly to believe that Iran offers an ideal testing ground for the Atlantic Charter,⁷⁹ since in perhaps no other place in the world is there such clearcut conflict of interests and temptation for nations to give precedence to their own selfish interests in preference to the ideals expressed in this great document. It would seem essential, at least to convince ourselves of our own good faith, that these high principles be put into effect now rather than at the end of the war.

I hope you will not feel that the above remarks are intended as criticism nor yet in the nature of a sermon. I have expressed my views frankly and explained the background rather fully because I know how anxious you will be to help once the American position is made clear to you. Americans are justly proud of the high international reputation of their country and are, I believe, beginning to realize that America can put this reputation to constructive use in taking effective leadership in the post-war world. But our general reputation in Iran can be no higher than the sum total of the reputations of our individual citizens here. In the ultimate analysis, our reputation here and in the world at large will depend upon the everyday acts and attitudes of our citizens everywhere. That is why I urge you to do all you can to bring about an improvement in the present unsatisfactory situation. I am confident of your support, since I have noticed in your letters in reply to Foreign Office complaints a very friendly, fair and conciliatory tone and an evident desire to reduce the number of incidents to a bare minimum. Would it not be possible to begin a concerted and sustained campaign among the officers and men to impress upon them the fact that every citizen is an emissary of his Government and has, therefore, a personal responsibility. You, being more experienced in these

⁷⁹ Joint Declaration by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations*, 1941, vol. I, p. 367.

matters of military discipline, will have undoubtedly additional methods of dealing with the matter. I should, in any event, appreciate receiving a frank expression of your views on the subject.

Sincerely yours,

LOUIS G. DREYFUS, JR.

811.22/342

The Minister in Iran (Dreyfus) to the Secretary of State

No. 612

TEHRAN, July 12, 1943.

[Received August 2.]

SIR: I have the honor, with reference to my despatch no. 592 of June 26, 1943, to enclose a copy of General Connolly's reply of July 5 to my letter of June 26, 1943, concerning the conduct of American forces in Iran. There is also enclosed a copy of my final letter of July 12 to General Connolly.

I was pleased with the friendly and cooperative spirit with which General Connolly accepted the criticism and suggestions made in my letter of June 26. His reply showed a good grasp of the importance of the problem and an evident desire to bring about improvement in the conduct of American forces in Iran. He outlined, furthermore, some concrete steps which are being taken to accomplish this aim. Notwithstanding these favorable words on the part of General Connolly, there is as yet no visible improvement in the conduct of our forces in Iran. There have been, in fact, several additional cases of bad conduct in the last few days.

It is sincerely to be hoped that General Connolly's efforts will eventually bear fruit. I shall follow the situation closely and keep the Department informed of developments.

Respectfully yours,

LOUIS G. DREYFUS, JR.

[Enclosure 1]

*The Commanding General, Persian Gulf Service Command
(Connolly) to the Minister in Iran (Dreyfus)*

IN THE FIELD, July 5, 1943.

MY DEAR MR. MINISTER: I am replying to your very welcome letter of June 26, 1943, in which you ask for a free and frank expression on the conduct of American troops in Iran as they affect American-Iranian relations. Let me state at the outset that friendly relations with the Iranian populace is not only our desire, but of paramount importance to the success of our mission.

As you have stated, our primary mission is an ever-increasing flow of supplies to our allies, Russia. This mission would be extremely difficult, if not impossible of accomplishment, without friendly rela-

tions with our allies and the Iranian peoples and government. Therefore, it is obvious that you can expect and will receive my wholehearted support and cooperation in correcting any evil, real or fancied, that might adversely affect the attainment of our mission.

At the outset, allow me to remind you that our force, officers and enlisted men, have been drawn from every profession, trade and environment of American life. It is a truly composite picture of average American manhood. We have the good and the bad, the sensitive and the calloused, and the meek and the brash. Our army is a civilian army, as yet not completely trained and disciplined. A solution might be to confine all military personnel to the areas of their quarters and work. This is hardly a sensible solution. We would be thus penalizing indiscriminately the good and the bad and probably would create ill will on the part of some of our command toward Iranians. It must be realized that a complete regimentation is not conducive to good discipline and morale, which is based upon rewards and punishments. We do not give blanket permission for all men to roam the streets at will, but allow those who earned the privilege a pass during certain hours to visit certain localities. It is inconceivable that we could start from the first day and never give a bad pass. When it is discovered that they have abused the pass privilege, they are punished accordingly, and it is not within my knowledge that any have escaped.

I have caused a study to be made of all reported alleged malfections and find that of 43 reported cases 21 were proved unfounded and, of the remaining 22, 5 were established violations of conduct. In each case the offender was punished to a degree commensurate with his offense. This seems truly remarkable in view of the fact that the percentage of malfections is much lower than that to be encountered in a unit of similar size and experience in the United States. I do not cite this as an excuse or a justification of our conduct, and we will not be satisfied with anything less than one hundred per cent perfection. I do cite it as an evidence of unfounded complaints and, in some instances, idle rumor. We have proven on investigation that in many instances American troops were blamed for infractions perpetrated by other nationals. Whether these cases were the result of honest mistakes or hope of greater reward from the United States Government is not known. In comparing the number of infractions of rules, regulations and laws by American troops with those of other nationals, let me remind you that there are many more American troops in Iran than the combined totals of all other nationals.

At present we are holding school for all troops on the subject of behavior, Iranian customs and traditions and proper conduct of the

individual toward the Iranian people. I do not expect this in itself to solve all problems. Concurrently, our young officers and less experienced older officers are constantly undergoing instruction in leadership and responsibilities.

You can expect an ever-increasing understanding and appreciation of Iranian people from our forces and the whole-hearted cooperation of myself and my command in abolishing all abuses and infractions of law and order to effect happy and harmonious relations with the Iranians.

Very truly yours,

DONALD H. CONNOLLY

[Enclosure 2]

The Minister in Iran (Dreyfus) to the Commanding General, Persian Gulf Service Command (Connolly)

TEHRAN, July 12, 1943.

MY DEAR GENERAL CONNOLLY: In acknowledging the receipt of your letter of July 5, 1943, on the subject of the conduct of American forces in Iran, I should like to express my appreciation of your understanding and helpful attitude. I was pleased to note that you are fully alive to the importance of the problem and that you and your Command are working actively toward ever increasing understanding with the Iranians and abolition of abuses and infractions of law. You are assured of the wholehearted support of this Legation in your endeavors to accomplish these aims.

Sincerely yours,

LOUIS G. DREYFUS, JR.

811.22/345

The Minister in Iran (Dreyfus) to the Secretary of State

No. 627

TEHRAN, July 22, 1943.

[Received August 5.]

SIR: I have the honor to refer to my despatches nos. 592, dated June 26, 1943, and 612, dated July 12, 1943 concerning the misconduct of American troops in Iran and to enclose a translation of an article appearing in the Tehran daily *Iran-E-Ma* as well as copies of two recent notes from the Foreign Office on the same subject and a written complaint by a private citizen.⁸⁰

I am distressed to see that the Iranian press is beginning to call attention to the behaviour of our forces here for the following reasons:

First, we have heretofore enjoyed almost without exception a favorable press, although there have been attacks on some of the advisers

⁸⁰ Enclosures not printed.

as individuals and hints of misconduct on the part of the troops. There has not previously been an outright attack such as the enclosed. When one journal inaugurates a campaign in Iran, the others usually take up the cry, each trying to write a more sensational article than its rivals. Secondly, the Tehran press has reached a state of vileness unequalled anywhere else in the world. Nothing is too bad to print and the fouler a paper's language, the more copies it sells. I should hate to see the Tehran press pitch into the Americans with all the epithets they possess, and they possess a considerable stock.

Despite the efforts of General Connolly reported in my despatch no. 612 the situation shows little improvement, the Legation receiving a considerable number of complaints from various sources daily. The two notes from the Foreign Office are enclosed as they are typical of the sort of complaint the Legation usually receives. We may, however, hope for some improvement in the Tehran region since all offices and billets of the army have been removed from the city to the Amirabad barracks, several miles outside of the city limits. General Connolly has stated that he hopes to make the city of Tehran out of bounds to his men, but it is questionable whether he will be able to enforce such a strict regulation in view of the rather serious effect it will have on his men's morale.

I shall continue to keep the Department periodically informed on this subject.

Respectfully yours,

LOUIS G. DREYFUS, JR.

811.22/351

The Minister in Iran (Dreyfus) to the Secretary of State

No. 671

TEHRAN, September 13, 1943.

[Received September 30.]

SIR: With reference to my despatches Nos. 579 of June 10, 1943, 592 of June 26, 1943, and 627 of July 22, 1943, I have the honor to enclose translations of three notes from the Iranian Foreign Office, an editorial from the Tehran newspaper, *Iran-E-Ma*, and a letter from an Iranian citizen concerning the conduct of the American troops in Iran.⁸¹

I had hoped after bringing this matter forcibly to the attention of General Connolly (see Despatch No. 592 of June 26) that this situation would gradually show signs of improvement. Unfortunately this has not been the case. The incidents reported to the Legation both by the Foreign Office and by other organizations and individuals have not only shown no signs of a slackening but have as a matter of fact tended

⁸¹ Enclosures not printed.

to increase. The American troops here have now thoroughly established a reputation for drunkenness, rowdiness and for a complete lack of respect for the sensibilities and customs of the local population. The cases of misconduct towards women are particularly offensive and it is reported that the streets of Tehran in the evening are at the moment places to be avoided by respectable women. I do not mean to imply that cases of assault are prevalent, which they are not, but instances of rude remarks, jostling and pinching are all too frequent.

I am convinced that this situation is unnecessary and that it could be easily corrected if the military authorities had any inclination in that direction. The crux of the matter would appear to be the fact that the troops being thoroughly unhappy in Iran are given a free rein by General Connolly in disciplinary matters . . .

We should not, in discussing this matter, however, lose sight of the fact that the presence of American troops on the streets of Iranian cities is not all for the bad. The lower classes particularly are impressed by the high spirits, cheerfulness, and especially by the friendliness of the soldiers they see on their streets. In certain instances the Iranians take an attitude the exact opposite of the one that would be expected. An Iranian friend of one of the officers of the Legation reported that one afternoon he saw a large crowd gathered near some property he owned, roaring with laughter and in great good humor. On investigation he found an American enlisted man in the center of the crowd going through the Mohammedan prayer ritual at the top of his lungs, repeating over and over again "Allah Akbar, Allah Akbar" and more words that he had picked up somewhere. One would expect the crowd to have been annoyed to say the least, but on the contrary they appeared to enjoy the performance as much as the soldier. The uninhibited behaviour of our men impresses the Iranians as the natural attributes of inhabitants of a free country as contrasted with their own where they would never dare behave in such a manner. Unfortunately any Iranians who may feel well disposed toward the loose conduct of the troops are not the ones in a position to affect our position in Iran. The country is still run by the wealthy upper classes and these classes bitterly resent the rowdiness they see all around them, and their opinion of Americans has dropped rapidly and is still dropping. The situation is bad and we must not close our eyes to the fact. It is time that measures were taken to improve this situation and the measures taken should not be half-hearted.

The War Department might be willing to instruct General Connolly to pay more attention to this important matter.

Respectfully yours,

LOUIS G. DREYFUS, JR.

811.24591/14

The Iranian Legation to the Department of State

No. 1309

The Department of State is aware of the frequent complaints which have been received about the conduct of some of the American soldiers in Iran. In particular, their behaviour towards women has excited public comment and has been deplored by the Press.

More incidents have lately been reported and recently an Iranian chauffeur was killed and another severely wounded by American soldiers at Arak.

The Iranian Government is most anxious that nothing should happen to impair the high esteem and good opinion which the Iranians have always held towards the American people. It has, therefore, instructed this Legation to bring the matter to the notice of the United States Government in order that the War Department might take the necessary steps to avoid a repetition of such incidents.

WASHINGTON, September 20, 1943.

811.24591/14

The Secretary of State to the Secretary of War (Stimson)

WASHINGTON, September 23, 1943.

The Secretary of State presents his compliments to the Honorable the Secretary of War and transmits herewith for the consideration of the War Department a copy of a communication from the Iranian Legation in Washington,⁸² concerning complaints which have been received about the conduct of some of the American soldiers in Iran.

The Department of State has already received some despatches on this subject from the American Minister at Tehran, and understands that copies of the despatches have been sent to the War Department.

811.24591/19½

Memorandum From the War Department to the Department of State

WASHINGTON, 27 September, 1943.

Attention: Mr. Paul H. Alling, Chief, Division of Near Eastern Affairs.

The War Department has received the State Department memorandum of 23 September 1943, regarding the Iranian note concerning

⁸² *Supra.*

complaints of misconduct on the part of American soldiers in Iran. Prior to receipt of the above memorandum, the War Department received a letter on the same subject, dated 18 September 1943, from the Iranian Military Attaché in Washington.

A letter is being addressed to the Iranian Military Attaché, stating that the War Department will be glad to investigate the matter, but requesting that specific information be furnished as to the details of the incidents in question, in order that appropriate instructions might be issued for such investigation as might be required. This action has been necessary, because past reports of misconduct of American soldiers in Iran have proved upon investigation to be false, or greatly exaggerated.

Upon receipt of the information requested, the War Department will take appropriate action of which the State Department will be informed.

For the Secretary of War:

CHARLES W. McCARTHY,
Colonel, G.S.C.,⁸³
Chief, Liaison Section, OPD W.D.G.S.⁸⁴

811.24591/31

The Under Secretary of State (Stettinius) to the Assistant Secretary of War (McCloy)

WASHINGTON, October 19, 1943.

DEAR JACK: I enclose herewith a report the Department has received from its Legation at Tehran⁸⁵ relative to the conduct of American troops in Iran. It occurred to me that, in view of some of the information contained in the report, you might want to check into the situation in order to ascertain if the observations are justified or are as serious as the report would appear to indicate. I am not, of course, sending this to you in the spirit of registering a complaint, but rather on the basis of bringing to your attention something which I feel certain you would wish to look into. I should be glad to have your reaction after you have read the report or after you have made whatever check you may feel is appropriate.

With best wishes,

Sincerely yours,

[File copy not signed]

⁸³ General Staff Corps.

⁸⁴ Operations Division, War Department General Staff.

⁸⁵ Despatch No. 671, September 13, p. 506.

811.24591/25

The Assistant Secretary of War (McCloy) to the Under Secretary of State (Stettinius)

WASHINGTON, October 22, 1943.

DEAR ED: I have your letter dated October 19 on the conduct of American troops in Iran.

I am very glad to get this report and will immediately start an investigation to determine the facts. As soon as I have heard back I will give you a report.⁸⁶

Sincerely,

J. J. McCLOY

**PROBLEMS CONCERNING THE POSITION OF THE AMERICAN ADVISERS
IN IRAN; ⁸⁷ THE MILLSPAUGH MISSION**

891.20/190a : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, January 21, 1943—6 p. m.

42. In connection with proposal of Iranian Government to appoint General Ridley⁸⁸ Assistant Minister of War, we understand War Department has cabled Ridley that little or no military supplies can be furnished Iran and has asked whether, in the light of this information, he still wishes to recommend acceptance of Iranian proposal.

Our thought is that Ridley might accomplish a good deal as Assistant Minister even without supplies, for example: (1) He could be of assistance to Millspaugh⁸⁹ and other American advisers. (2) He could presumably control pro-Axis activity in the army and forestall drastic action by British or Russians of the sort taken in the Zahidi case.⁹⁰ (3) His appointment would please Iranians and should strengthen our influence in Iran.

However, if military supplies are absolutely necessary for the success of Ridley's work as Assistant Minister, it would seem better not

⁸⁶ A letter from the War Department dated December 3 minimized the complaints against the Army forces in Iran, and complained of the attitude of Minister Dreyfus. This letter was withdrawn, however, by Mr. McCloy on January 29, 1944, during a conversation with Mr. Murray in which the Assistant Secretary of War stated it was written in his absence and he would not have approved of it (811.24591/31).

⁸⁷ For previous correspondence, see *Foreign Relations*, 1942, vol. iv, pp. 222 ff.

⁸⁸ Maj. Gen. Clarence S. Ridley, assigned by the War Department to act as military adviser to the Iranian Government on matters pertaining to the Services of Supply of the Iranian Army.

⁸⁹ Arthur C. Millspaugh, American Administrator General of Finances in the Iranian Government.

⁹⁰ General Zahidi, Governor General of Isfahan province, arrested and interned at Sultanabad by the British on December 8, 1942; for correspondence on this subject, see *Foreign Relations*, 1942, vol. iv, pp. 208-218, *passim*.

to place him in an impossible position nor to raise extravagant hopes on part of Iranians which would probably have to be disappointed later.

Please give us your views.

HULL

891.20/187 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, January 23, 1943—7 p. m.
[Received January 25—10:55 a. m.]

81. Department's 42, January 21. I have discussed matter fully with General Ridley who is willing to accept post of Assistant Minister of War with full knowledge that it will not be possible for the American War Department to furnish the Iranian Government large quantities of military supplies. Ridley hopes, however, that it will be possible to provide Iran's minimum military needs. He believes this is necessary to facilitate the passage of war materials through Iran.

I am in agreement with General Ridley's decision. He has begun his mission with his feet well on the ground and has won the full confidence of the Shah,⁹¹ the Prime Minister⁹² and War Minister.⁹³ I am hopeful that he will be able to accomplish something substantial [along?] lines suggested by Department.

It is my personal view that Iran's minimum military needs should be supplied for following reasons:

1. It is essential for Iranian troops to be equipped to keep order because war goods for Russia cannot be easily moved through a starving or rebellious countryside.

2. The Government has signified its intention of assisting countries occupied by the Allies; military supplies are basically as essential as civilian and

3. Bringing in tiny amounts of military supplies may prevent necessity of later shipments of large amounts of civil goods. For example, small amounts of equipment for Iranian army might have made it unnecessary to bring in 45,000 tons of cereals this year; a few hundred tons now may save sending large tonnage of wheat and other goods next year by placing Iranians in position to organize internal security.

DREYFUS

⁹¹ Mohammad Reza Shah Pahlavi.

⁹² Ahmad Qavam.

⁹³ Field Marshal Ahmad Amir Ahmadi.

891.20/1874

Memorandum of Conversation, by the Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] February 6, 1943.

The Iranian Minister ⁹⁴ called at my request.

I told him that the War Department had been giving consideration to the proposal of the Iranian Government made during the latter part of December, 1942 that General Clarence Ridley, United States Army, be engaged as Iranian Assistant Minister of War. I said that the War Department after giving this proposal its most careful consideration had come to the conclusion that the appointment of General Ridley to that position would be undesirable, that General Ridley himself though willing to accept the position felt that he could be of equal assistance to the Iranian Government in the capacity of Military Advisor and that the War Department thereby hoped that the Iranian Government would not press the matter.

To my surprise the Iranian Minister said that this was the first he had heard of the proposal to engage General Ridley as Assistant Minister of War. I reminded the Minister that he had called upon me about Christmas time and had handed me a rough translation of a proposed contract for the engagement of General Ridley. A copy of this translation is attached herewith.⁹⁵ The Minister recalled that he had handed me such a translation but he said there had been a garbling in his telegraphic instructions and he could not decipher the title of the position for which General Ridley was to be engaged. The present conversation clarified the matter to him. He added that so far as he could see it made no difference what title General Ridley had as long as he was in Tehran and available for consultation. The Minister said that he would communicate to his Government the decision of the War Department. He inquired whether the War Department was willing to assign General Ridley as head of an American military mission as had originally been proposed by the Iranian Government. I said that I had no information on this point but that we should be glad to pass on to the War Department any suggestions which the Iranian Government might formulate on that point.

891.20/187

The Secretary of State to the Minister in Iran (Dreyfus)

No. 191

WASHINGTON, February 11, 1943.

SIR: Reference is made to your telegram no. 81, January 23, 1943 regarding the proposal of the Iranian Government that Major General

⁹⁴ Mohammed Shayesteh.

⁹⁵ Not printed.

Clarence S. Ridley should be appointed Assistant Minister of War of Iran. The substance of your telegram was communicated to the War Department, which also received word direct from General Ridley.

The War Department has now informed the Department that it would prefer to have General Ridley remain for the time being in his present status as an adviser and does not wish to acquiesce in his appointment as Assistant Minister of War. In making this decision, the War Department is believed to have been influenced by a fear that by accepting an official position in the Iranian Government, General Ridley might become subject to criticism, from Iranian and other sources, in connection with Iranian Army affairs which he would not have sufficient authority to control, since he would be subordinate to the Minister of War, the Prime Minister, and the Shah. The Department understands, however, that the War Department might be willing to reconsider its decision provided the Iranian Government feels strongly that the appointment is essential and you and General Ridley concur.

There is enclosed a copy of a self-explanatory memorandum of a conversation with the Iranian Minister regarding this matter.⁹⁶

Very truly yours,

For the Secretary of State:
SUMNER WELLES

891.20/199

The Minister in Iran (Dreyfus) to the Secretary of State

No. 469

TEHRAN, March 4, 1943.

[Received March 19.]

SIR: I have the honor to submit the following report on the accomplishments and activities of the American *Gendarmerie* Mission to Iran, headed by Colonel H. Norman Schwarzkopf.⁹⁷

There are enclosed⁹⁸ (1) a copy of a report dated February 22, 1943, prepared by Colonel Schwarzkopf and addressed to the Prime Minister outlining plans for the reorganization of the *gendarmerie* (2) a chart showing the proposed District and Regimental Organization and (3) a chart giving the suggested Basic and Staff Organization Plan. Reference is made to the Legation's despatch No. 371 of November 3, 1942, enclosing a copy of answers made by the Iranian authorities to a questionnaire prepared by Colonel Schwarzkopf and to despatch No. 374 of November 9, 1942, which enclosed a copy of

⁹⁶ Memorandum dated February 6, *supra*.

⁹⁷ Col. H. Norman Schwarzkopf, former head of the New Jersey State Police, appointed by the Iranian Government as specialist to organize the Iranian *Gendarmerie* (rural police).

⁹⁸ Enclosures not printed.

Colonel Schwarzkopf's report on his inspection of the southern section of the Trans-Iranian Railway.⁹⁹

Colonel Schwarzkopf and his two assistants, Lt. Colonel Philip T. Boone, and Captain William Preston, have been engaged since their arrival in studying the Iranian *gendarmarie* and preparing a basic plan of staff and regimental organization. The finished plan, consisting of some 200 pages and covering all phases of organization and operation, has been presented to the Iranian Government. This comprehensive plan, based on careful analysis of the peculiar *gendarmarie* problems of Iran, should, if adopted and put into force, offer a solid basis for the future work of the Schwarzkopf mission.

Colonel Schwarzkopf has been handicapped in his work by the great delay in receiving from the Department the suggested draft for his contract with the Iranian Government. This has not only given him a feeling of uncertainty because his status with the Iranian Government is that only of an unofficial adviser but it has also prevented him from demanding and obtaining the authority without which he cannot hope to succeed. This is particularly noticeable in his relationship with General Agveli, head of the Iranian *Gendarmerie*, who has not only given him little cooperation but on the contrary has consistently blocked his efforts. This he has done in innumerable ways, such as encouraging subordinates to withhold action, through failure to support suggestions, by carrying on a whispering campaign, by deliberately withholding vital information, et cetera. Colonel Schwarzkopf has not felt his position sufficiently clear to "go to the bat" and demand the authority he fully intends eventually to get. It is contemplated, in fact, that he will become Under Secretary of Interior for *Gendarmerie*, in which case he will have undisputed command. Notwithstanding his anomalous status, he feels he cannot afford to await ultimate authority and is presenting his case against General Agveli at once to the Prime Minister who is also the Minister of the Interior. I shall, along the lines of the Department's telegram No. 207 of August 8, 1942,¹ support him to the full.

One must not be unduly perturbed at temporary disputes over authority such as that with General Agveli. This is to be expected. I have, as a matter of course, warned our arriving advisers that their first months will be spent in overcoming petty jealousies on the part of Iranians and in establishing the fact that they intend to demand and receive sufficient authority for the successful accomplishment of their missions. This should, I stress to them, be done in a quiet and dignified manner and I promise them my full support in arriving at this first and necessary stage.

⁹⁹ Despatches and their enclosures not printed.

¹ *Foreign Relations*, 1942, vol. iv, p. 245.

Colonel Schwarzkopf and his assistants have taken hold of their difficult task with vigor, intelligence and dignity. They have treated the Iranians with courtesy and deference, with the result that they have made many friends. This mission has, with few exceptions where they have had perforce to step on the toes of certain officials, established a very satisfactory reputation in Tehran. All three officers deserve credit for their tenacity and balance in carrying on under trying circumstances.

American advisers in Iran face a colossal task, in organizing or reorganizing demoralized services, in overcoming inherent Iranian jealousies and suspicions, in by-passing bureaucrats, in withstanding the complaints of unreasonable politicians and in keeping their balance in the midst of chaos. A very special type of man is needed, one who, always seeing his objective clearly before him and realizing the difficulties in the way, plods on patiently, consolidating his position as he goes, demanding authority and using it with intelligence and, above all, keeping his sense of humor. Bluster, strong arm methods, and devious political methods will avail little against the canny Iranians. Simplicity and kindness will accomplish much, particularly if the Iranians are made aware that the adviser first, knows his business, and second, intends to carry out his mission in spite of the opposition of interested politicians. I am hopeful that the Schwarzkopf mission will continue to show the qualities necessary for the successful accomplishment of their task.

This is the first of a series of despatches which I hope to be able to submit on the work of this and other American missions to Iran.

Respectfully yours,

LOUIS G. DREYFUS, JR.

891.20/1874

*The Chief of the Division of Near Eastern Affairs (Alling) to
Colonel Harry A. McBride*²

WASHINGTON, March 4, 1943.

COLONEL MCBRIDE: Confirming Mr. Jernegan's³ telephone conversation with Colonel Chaffee⁴ on March 2, we understand the present position regarding General Ridley's status to be as follows:

1) General Ridley reported that the Iranian Government wished to make him Assistant Minister of War. The War Department decided against this proposal, and the Department of State so in-

² Liaison Officer, Operations Division, War Department General Staff.

³ John D. Jernegan of the Division of Near Eastern Affairs.

⁴ Lt. Col. Frederic H. Chaffee of the War Department General Staff.

formed the Iranian Minister in Washington, who informed his Government.

2) Upon receipt of the Minister's cable, the Iranian Government replied that it had not wished to make General Ridley Assistant Minister of War but only "assistant to the Minister of War", which is quite a different thing. The Iranian Minister has informed us to this effect and has asked whether the War Department will give its consent to such an arrangement.

3) It is understood that the War Department will request General Ridley's views on this proposal.

In this connection, you will recall that General Ridley's letter of December 10 to General Handy⁵ recommended that he (General Ridley) should have a position in the Iranian Ministry of War. As you will also recall, the Iranian Government has proposed that his duties in that Ministry should be "to reorganize and to reconstruct the Imperial Iranian Army" and at the same time to continue his investigations on the question of sending a full American military mission to Iran. However, if the War Department agrees in principle to the appointment of General Ridley as assistant to the Minister of War, it is believed that his duties could be defined in whatever fashion might seem best to the War Department.

PAUL H. ALLING

891.20/1873

Memorandum by Lieutenant Colonel Frederic H. Chaffee, War Department General Staff, to Colonel Harry A. McBride

WASHINGTON, March 13, 1943.

In reference to Mr. Alling's note of March 4, 1943.

General Ridley states in cable of March 11 from Teheran that he feels that his present status and title are satisfactory and that no change is necessary for the furtherance of his mission. Based on that the War Department does not desire to change his status.

State Department may desire to inform the Iranian Minister in Washington that War Department at General Ridley's request is furnishing him additional staff personnel consisting of a Quartermaster officer and an assistant to instruct in supply and Quartermaster methods and a Finance officer to assist in Army Finance matters.⁶

FREDERIC H. CHAFFEE

⁵ Maj. Gen. Thomas T. Handy, Assistant Chief of Staff, Operations Division, War Department General Staff; letter of December 10 not printed.

⁶ The following notation appears on the original: "Iranian Minister informed orally on March 18, 1943. J[ohn] D. J[ernegan]".

891.51A/592

The Minister in Iran (Dreyfus) to the Secretary of State

No. 489

TEHRAN, March 18, 1943.

[Received April 16.]

SIR: I have the honor to enclose a copy of Dr. Millspaugh's first monthly report to the Iranian Government dated Bahman 1321 (February 19, 1943).⁷ This draft, Dr. Millspaugh explained to me in a confidential covering note, will be slightly revised for publication. I thought it wise to forward the draft without waiting for its revision or publication, because it contains information which will be of great interest to the Department.

Dr. Millspaugh's factual and interesting report reveals how quickly and thoroughly he has taken up again the thread of Iranian life. Its frank recognition of Iran's ills, its promises of reforms and benefits to come and, above all, its note of compassion and understanding for the Iranian people should insure it a sympathetic reception by the Iranians. Dr. Millspaugh's plans for correction of this country's many problems are still, he reports, in the nebulous stage of study. Among the more important are increased taxation to counteract inflation and tap excess profits, rent and price control, reduction of the budget, salary increases accompanied by radical reduction in the number of unnecessary government employees, sale of gold and silver in the open market as a means of combatting inflation, rationing of essential products, and an internal treasury loan.

Dr. Millspaugh's mission consists of the following American personnel:

- Dr. Arthur C. Millspaugh, Administrator General of Finances.
- Dr. Paul M. Atkins, Director of Opium and Tobacco Monopolies.
- Dr. Elgin Groseclose, Special Assistant, assigned temporarily to deal with personnel, money, currency, and gold.
- Mr. James G. Robinson, Director of Administration of Internal Revenue.
- Mr. Henry S. Shambarger, Director of Administration of Accounts and Audit.
- Mr. Hugh C. G. Chase, Dr. Millspaugh's private secretary.
- Dr. Walter Gresham, Director of Customs, is enroute from the United States, and Colonel Richard W. Bonneville, Inspector General of Ministry of Finance, is about to depart from the United States. In addition to these Dr. Millspaugh has requested the Department to endeavor to engage Messrs Speaks, Pixley, Moon, and Shuckman.

Dr. Millspaugh's high prestige in Iran has suffered no decline. His quiet manner, dignified bearing, calm self-assurance, swift action, and

⁷ Not printed.

firm but friendly manner of dealing have convinced the Iranians that he means business and knows how to get what he wants. Iranians, realizing that his powers are almost unlimited, expect him to produce results. A few press comments concerning the Millspaugh Mission may be useful and interesting.

[Here follow reports on press comment and on personnel relations.]

Dr. Millspaugh's liaison with this Legation has been good. He has sought advice on all matters which might affect Iranian relations with the United States and has asked me to seek the assistance of the American Government in a number of cases. The Department will have noted my recent telegrams on such questions as the possible sale of United States bonds in Iran and Dr. Millspaugh's suggestion for the sale of gold as an anti-inflation measure.⁸ Dr. Millspaugh's liaison with the British Legation has also been good. He has conferred on all of his proposed financial measures with Mr. Iliff, financial counsellor of the British Legation, as well as with representatives of this Legation. He has also conferred with visiting British officials.

I have been, on the whole, pleased with the quiet, active, and efficient way in which Dr. Millspaugh has taken over his task and am hopeful that he will achieve positive and early results. His monthly reports, accompanied by such explanatory comment as may be necessary, will be forwarded to the Department.

Respectfully yours,

LOUIS G. DREYFUS, JR.

891.51A/563 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 6, 1943—3 p. m.

[Received April 7—3:07 p. m.]

355. Department's 149, March 29.⁹ Sheridan¹⁰ informs me Minister of Food now states that notification of employment of Sheridan's assistants cannot be telegraphed to Iranian Legation Washington until contracts approved by Majlis. This about face by Iranian Government is an indication not only of lack of cooperation but also of bad faith. I recommend Department make no further endeavor to hold these men. I have made it clear to Iran Government that this Legation and Department will support no further requests for American advisers until convincing truth [*proof?*] given that Iran Legation at Washington is authorized to negotiate.

This brings up the more important general question of position of our advisers in Iran. I am sorry to report there is widespread and

⁸ For correspondence on this subject, see pp. 561 ff.

⁹ Not printed.

¹⁰ Joseph P. Sheridan, American Food and Supply Adviser to the Iranian Government.

impetuous obstruction of our advisers amounting almost to sabotage. Millspaugh is meeting serious obstacles in efforts to put reforms into effect and his necessary bill for full powers has been hanging fire in Majlis a month; he reports opposition is even coming from Minister of Finance Saleh. Millspaugh is of opinion that Iran is hovering on brink of a financial precipice. Present financial undertakings would require spending this year of 2 billion rials beyond revenue and Allied expenditures make it necessary to find an additional amount of 2½ billions. Although Iran is not in a position to meet these expenditures all efforts to effect economy especially in War Ministry meets with stiff opposition. Schwarzkopf and Timmerman¹¹ contracts continue to be delayed for political reasons. It is generally stated Majlis will not approve employment of any more Americans.

There is mounting evidence this campaign against advisers is concerted and deeprooted. Campaign is widely attributed to Russians but I have obtained no evidence this is true. Whether or not Russians are to some extent responsible the deeper responsibility must rest on shoulders of Iranian political elements who in their predatory search for power and graft show no appreciation of country's welfare. Saleh, that erstwhile friend of America¹² in conversation yesterday with member of staff bitterly criticized United States policy stating that American prestige is rapidly sinking because of (1) hostile attitude of people toward Allied occupation forces (2) failure of our advisers to effect reforms (3) limited shipments of goods to Iran under Lease Lend¹³ (4) delay in shipping wheat¹⁴ and (5) failure of Americans to deter Russians in their use of pressure on Iran.¹⁵ Saleh stated many Iranians feel American advisers are not qualified to correct country's ills and declared Majlis members feel America is interested merely in using Iran as a highway to Russia and will put Iranians off with vague promises of future assistance. Saleh's opinion is typical of evergrowing group of Iranians who close their eyes to substantial aid already given Iran in wheat, trucks, tires, etc., and fail to recognize that reason our advisers are unable to accomplish more is because their efforts meet with complete lack of cooperation.

I have come to opinion that strong line with Iranians is now essential, a view with which Millspaugh is in full accord. He is making firm but restrained demand that his full powers will be passed and that

¹¹ L. Stephen Timmerman, City Police Adviser to the Iranian Government.

¹² Mr. Saleh had formerly been head of the Iranian Economic Mission to the United States.

¹³ See bracketed note, p. 600.

¹⁴ For correspondence on this subject, see pp. 600 ff.

¹⁵ For correspondence on this subject, see pp. 331 ff., *passim*.

certain other measures necessary for country's financial salvation be put into effect. In absence of some earnest Iranian good will he is prepared if necessary to withdraw from Iran. Other American advisers are of similar persuasion. All of us agree that supreme effort should be made to make a success of our adviser program and every effort will be bent toward achievement of this goal. If, however, present bad will, lack of appreciation of true American position and political obstruction continue I believe that only dignified solution would be withdrawal of all (repeat all) our advisers. Iranians unfortunately cannot be made to realize seriousness of their financial situation which is driving them inevitably toward disastrous inflation nor do they appreciate fact that American presence in Iran is perhaps only guarantee against worst fear of Iranian upper classes—Russian domination. I will keep Department informed.

DREYFUS

891.51A/564 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

[Extracts]

TEHRAN, April 7, 1943—noon.

[Received 9:58 p. m.]

360. My 355, April 6. Minister of Finance Saleh resigned yesterday. While ostensible reason was poor health actual reason was inability to get along with Millspaugh. . . .

. . . I regret Saleh's resignation since I had high hopes of the assistance he could render to Millspaugh but I feel that under the circumstances it is the only solution. Immediately the friction between Saleh and Millspaugh came to our attention I sought appointment with Saleh with idea of conciliation but he resigned before I could get in touch with him.

DREYFUS

891.51A/563 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, April 10, 1943—1 p. m.

176. Following is preliminary reply to certain points in your 355, April 6.

1. For the moment, Department will take no affirmative steps regarding Sheridan assistants but will not inform men under consideration that proposition has been definitely dropped. Please keep us closely informed of developments. If no action is taken by Iranian authorities within next 2 weeks we shall probably be forced to advise prospects that they should abandon plans.

2. Unless advised by you that Iranians are disposed to act, we shall take no new steps to obtain other advisers requested, such as public health, municipal administration, mining engineer, Millspaugh assistants, and various agricultural experts. However, pending further word, we shall continue conversations with men already contacted and shall not advise them that matter may be dropped.

3. Please report whether feeling indicated by Saleh that American advisers are not qualified applies to the particular men selected or to Americans in general. If the former, to which men does it apply? Do you feel there is any justification for this attitude?

4. We should be interested in an outline of full powers Millspaugh is seeking.

HULL

891.51A/580 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

[Extracts]

TEHRAN, April 14, 1943—4 p. m.

[Received 9:06 p. m.]

385. I will seek to clarify in near future question of whether Iran Government definitely wishes continue negotiations for employment of additional Americans already requested. Saleh after several days of hide and seek has been persuaded by Prime Minister to continue as Finance Minister. He will be given 30 days leave to regain health and think things over. I am sure Saleh means well and feel his action or remarks should not be held too strongly against him. Kuniholm¹⁶ with whom Saleh had conversation referred to in my 355, April 6, is of opinion Saleh spoke in extreme irritation inspired by dispute with Millspaugh and probably himself was not sure which Americans he had in mind. He was probably passing on views of certain corrupt and grasping deputies and politicians who are against adviser program because have much to lose with kind of regime advisers contemplate. . . .

As a result of my frank conversations with Prime and Foreign Ministers¹⁷ and Shah I already perceive some improvement in situation outlined my 355. Prime Minister informs me that in special Cabinet meeting Ministers unanimously agreed that Iran's only hope lies in the American advisers and that the Cabinet will cooperate with them. Shah called me on Monday to discuss the situation and reiterated in the warmest terms his approval of the adviser program.

¹⁶ Bertel E. Kuniholm, on temporary duty at this time as Second Secretary of Legation in Iran.

¹⁷ Ali Soheily and Mohammad Saed, respectively.

He declared he personally would like to go beyond signing the United Nations Declaration,¹⁸ make an alliance with the United States and enter the war with Iranian troops. I have heard on good authority, however, that the Shah is averse to Millspaugh's curtailment of army budget because this threatens his control of army on which his hopes of maintaining himself in power are based.

On whole I do not believe there has developed any strong or widespread feeling against Americans here. I have always foreseen development of present kind of selfish opposition and am hopeful it can be controlled or removed by use of firm but kindly pressure.

DREYFUS

891.51a/581 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 14, 1943—5 p. m.
[Received 8:46 p. m.]

386. Department's 176, April 10 and my 385, April 14.

1. Full Powers Bill gives Millspaugh *inter alia* powers for period up to 6 months after war over the price, purchase, importation, distribution etc. of non-food commodities including raw and finished goods.

2. Control rents, wages, and charges for other services.

3. Assume where necessary the powers granted Government and certain Ministries under anti-hoarding and other specified laws.

4. Inventory stocks, license dealers and manufacturers, seize stocks, issue coupons, maintain Government store, and take other reasonable and necessary action for stabilization of prices and distribution of goods.

5. Within scope of bill to issue regulations having force of law and

6. Employ nine American citizen assistants for work in Ministry of Finance, especially in price control.

Millspaugh is facing an important test not only in Full Powers Bill but also in his economy struggle with army. War Ministry is demanding increased appropriation of 500,000,000 rials which Millspaugh cannot conscientiously approve. However, in order not to lose support of army and in spirit of conciliation, he proposed following solution to Prime Minister:

He would grant half the increase if Prime Minister agrees to support Full Powers Bill and certain other necessary measures of economy and internal administration. Prime Minister seemed favorably dis-

¹⁸ Signed at Washington, January 1, 1942, *Foreign Relations*, 1942, vol. I, p. 25. For correspondence relating to the question of the adherence of Iran, see pp. 428 ff.

posed. However, subsequently when Millspaugh found out that without his knowledge Government introduced into Majlis and enacted a law appropriating 60,000,000 rials for additional units in army, he considered this a breach of faith and conveyed to Prime Minister his disapproval of the appropriation and withdrew his proposal for increase in War Ministry Budget.

DREYFUS

891.01A/226a : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, April 15, 1943—5 p. m.

182. Officers of Department have had two conversations with Iranian Minister regarding substance of your 355, April 6 and have emphasized following points:

1) From the first, Department has insisted that we would lend assistance in providing advisers only if they were assured of full cooperation from Iranian authorities.

2) We regard Sheridan's work organizing food supply as vitally important to Iran and consider that it is essential from Iranian point of view that he have adequate American staff. Events have shown that Iranian staff alone is unequal to the task.

3) Millspaugh was selected and given wide powers precisely because it was felt that a strong man was needed to combat critical Iranian financial troubles. Saleh was first to insist that Millspaugh should have at least as much authority as during his previous service in Iran.

4) Early completion of Schwarzkopf and Timmerman arrangements is important because they cannot act on Iran's behalf until given necessary authority.

It is believed Iranian Minister has reported these views to his Government.

Minister expresses belief that situation is not so serious as it may seem to you and urges that Department be patient and allow time for things to work out. He asserts that pressure by Soviets or British or both is responsible for any lack of cooperation on part of Iranian Government and states Iran is not a free agent. In support of this thesis, he claims Qavam was forced out of office because he would not accede to British wishes.¹⁹ Minister says present cabinet will not dare oppose British or Russians, fearing same fate as that of Qavam. Points to expulsion of Vivian²⁰ from Azerbaijan as evidence that even

¹⁹ Prime Minister Qavam resigned February 10, 1943, and was succeeded by Ali Soheily.

²⁰ Rex Vivian, an American national in the employment of the Iranian Government, had been the representative in Azerbaijan province of the American Food and Supply Adviser to the Iranian Government (Sheridan); for correspondence relating to the expulsion of Mr. Vivian, see pp. 338-362, *passim*.

United States cannot oppose Russia. He regards delays in Timmerman, Schwarzkopf contracts as due to administrative routine rather than political opposition.

In reply, we have said:

1) We have no evidence that Allied pressure is responsible for current Iranian attitude toward American advisers. Even if this were the case, however, the Iranian Government should know that its real interest lies in close relations with United States and should have courage to stand up against contrary pressures. Furthermore, the responsible Iranian officials should frankly inform you of the situation in order that this Government might take such steps as might be necessary to straighten things out with the British and Soviet Governments. We have already held conversations with both those Governments in order to make clear to them American policies in Iran, and we shall undertake to arrange matters with our associates, but we cannot be expected to do so unless we have clear evidence that Iran wants our assistance.

2) In view of urgency of the matter, we feel administrative delays are out of place.

For your information and guidance, Department is reluctant to consider withdrawal of American advisers from Iran. If present difficulties are in fact created by British and Russians, such withdrawal would play into their hands. We should prefer first to make every possible effort to come to an understanding with the British and Soviet Governments. On the other hand, if Iranian politics and corruption are primarily responsible, withdrawal would be a disservice to United Nations as well as to Iranian people. With the cooperation, or at least acquiescence, of British and Soviets it would seem possible to exert sufficient influence on Iranian Government to bring about a more satisfactory attitude and achieve worthwhile results, even if not so rapidly as might have been hoped.

We suggest that you continue your efforts with Iranian Government, reiterating interest of this Government in everything necessary to facilitate success of American advisers but avoiding anything in nature of an ultimatum. You may wish to point out, however, that the advisers constitute in a sense a guarantee to the United Nations that material aid to Iran will be properly and efficiently employed for the greatest benefit of that country. For example, wheat agreement²¹ specifies that Allies will supply wheat only if Sheridan's recommendations are followed. Motorcycles for *gendarmierie* and trucks

²¹ Food Agreement between the United States, the United Kingdom, and Iran, signed at Tehran, December 4, 1942; for text, see Department of State Executive Agreement Series 292, or 56 Stat. (pt. 2) 1835. For correspondence relating to this agreement, see *Foreign Relations*, 1942, vol. iv, pp. 155 ff.

for Army are being supplied only because of Schwarzkopf and Ridley, since we are sure they will see that good use is made of them. Obviously, this sort of assurance cannot be relied upon if these men are not enabled to function effectively.

You should also repeat to Iranian authorities the points we have made with Minister here, omitting reference to Anglo-Soviet pressure unless Iranians raise this argument.

If the situation does not improve, it is contemplated that the Under Secretary or I shall personally call in the Minister to emphasize our position.

HULL

891.51A/593 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 19, 1943—4 p. m.
[Received April 20—5:58 p. m.]

400. Department's 182, April 15, and my 384, April 14.²² Foreign Minister informs me he has instructed Minister in Washington to assure Department of intention of Iranian Government to support American advisers. In further conversations with Prime and Foreign Ministers I have received similar assurances. Shah sent Ala²³ to me yesterday to convey his promise of support for advisers particularly his intention to push bill for Millspaugh's powers and contracts for Schwarzkopf and Timmerman. In return Shah asks my help in (1) increasing imports into Iran²⁴ especially, of trucks, and tires, (2) holding down to minimum Allied purchases in Iran, (3) reducing Allied expenditures in Iran in order to prevent inflation, and (4) introducing gold into country as anti-inflationary measure. I promised Ala to do all possible to support these worthwhile measures and took opportunity to explain to him some of the steps already being taken to bring them about.²⁵

I am pleased that Iranian Government has accepted our representations in friendly spirit in which intended and has reacted to our suggestions in such a favorable manner. We should continue to watch situation closely to insure that promises are translated into deeds without undue delay.

DREYFUS

²² Latter not printed.

²³ Hussein Ala, Minister of the Court.

²⁴ For correspondence relating to this subject, see pp. 600 ff.

²⁵ For correspondence relating to financial problems, see pp. 561 ff.

891.20/208

The Minister in Iran (Dreyfus) to the Secretary of State

No. 534

TEHRAN, April 27, 1943.

[Received May 11.]

SIR: I have the honor to enclose a copy²⁷ of a draft of a proposed Iranian Law authorizing the employment of a *Gendarmerie* Mission.

The Iranian Government does not wish to present to the Majlis the long and complicated draft prepared by the Department and forwarded to the Legation under cover of Instruction No. 186 of January 28, 1943.²⁷ The Prime Minister feels that the proper way to handle this matter is for the Majlis to pass an authorizing law on which the agreement, embodying the provisions outlined by the Department, will be based. Iranian law provides that foreign advisers may be employed only on specific authorization of the Majlis and that the covering law must include the following information: position to be filled; nationality of person to be employed; duration of contract; salary to be paid; and statement that person employed is not to interfere in the political affairs of the country.

The Department's attention is invited to the clause which provides that the salaries and allowances of members of the mission shall be the same as those paid by the United States Government to officers of the same grade and length of service on foreign duty. I am not sure that this clause meets with the approval of the War Department and would appreciate receiving telegraphic clarification on this point.

I have noted that the draft agreement calls for signature in Washington and assume that the Department wishes to adhere to this procedure. I am discussing the draft with the Iranian Government and will submit their reactions and suggested amendments to the Department as soon as possible.

Respectfully yours,

LOUIS G. DREYFUS, JR.

891.51A/598 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, May 5, 1943—5 p. m.

[Received 8:19 p. m.]

466. Medjliss yesterday passed law granting Millspaugh powers substantially as outlined in my 385, April 14. Full text being sent by air mail.²⁸

DREYFUS

²⁷ Not printed.²⁸ Despatch No. 556, May 20, not printed.

891.20/207 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, May 18, 1943—1 p. m.

242. Your 443, April 28.²⁹ The following schedule of additional compensation for members of the proposed United States Military Mission to Iran has been computed in accordance with the formula approved by the President on May 13, 1943.

Chief of Mission	\$4, 207
Assistant Chief of Mission	\$3, 907
All other commissioned officers	\$3, 757
Enlisted men	\$2, 705

However, as indicated in the Department's instruction no. 155 of November 5, 1942³⁰ no compensation can be accepted by members of the Mission from the Iranian Government until the proposed agreement is signed.

HULL

891.20/215

The Minister in Iran (Dreyfus) to the Secretary of State

No. 557

TEHRAN, May 20, 1943.

[Received June 8.]

SIR: I have the honor, in continuation of my series of despatches on the work of the various American advisers to the Iranian Government, to enclose a progress report³¹ prepared by Major General Ridley, adviser to the Iranian Army, and to comment briefly on the work of the Ridley Mission.

The Ridley Mission has come through the period of establishment and adjustment well on its feet. It has weathered the storm of disillusionment so apt to overcome foreign advisers in Iran in these difficult days. It has not succumbed to the feeling of futility, engendered by the colossal proportions of the tasks to be accomplished with limited means and little political support, which advisers must constantly fight. It has, in short, all the indications of developing into a successful mission.

General Ridley, as the enclosed report shows, has sized up his task with intelligence, bearing in mind the difficulties which lie in the way, and has put in a great deal of work in laying the foundations for

²⁹ Not printed; it transmitted request of General Ridley that War Department telegraph scale of wages it was prepared to approve for American Army officers on detached civilian duty in Iran.

³⁰ *Foreign Relations*, 1942, vol. iv, p. 260.

³¹ Not printed.

improvements in the Iranian army. The success with which his mission has met are due to a great extent, however, to his personal qualities. He has kept the American members of his mission loyal and hard at work by his effective leadership and example. He has won the support of the Minister of War, the Shah, and other leaders by his evident ability and sincerity. He has impressed those with whom he has contact by his simplicity and dignity. Above all, he has not fallen into the error of some of our advisers of boasting and gossiping about official matters.

As General Ridley points out in the last paragraph of his report, only future developments will prove whether the many obstacles will prevent the successful achievement of his task. In any event, his ground work is being carefully done.

Respectfully yours,

LOUIS G. DREYFUS, JR.

891.20/217

The Minister in Iran (Dreyfus) to the Secretary of State

No. 558

TEHRAN, May 20, 1943.

[Received June 8.]

SIR: I have the honor to enclose a copy of a draft contract³² prepared by Major General C. S. Ridley setting forth terms and conditions for the engagement by the Iranian Government of a small American Military Mission.

I am in full agreement with General Ridley in his findings, based on careful investigation, that a small American Military Mission to Iran is advisable. I recommend, therefore, that the Department endeavor to reach an early agreement with the War Department along the lines of General Ridley's suggested draft, in order that the pertinent law may be presented to the Majlis.

Reference is made, in this regard, to my despatch No. 557, May 20, 1943, in which I expressed my full approval of the activities of General Ridley and his mission.

Respectfully yours,

LOUIS G. DREYFUS, JR.

891.20/208 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, June 9, 1943—5 p. m.

282. Your despatch no. 534, April 27 and Department's telegram no. 242, May 18. The Department has been informed by the War

³² Not printed.

Department that the proposed act for submittal to the Majlis to authorize the Iranian Government to employ the services of United States Army Officers stipulates that the Majlis may terminate any arrangements concerning any individual entered into under the provisions of that Act upon competent proof that such individual has interfered in the political affairs of the country or has been guilty of a violation of the law of the land.

United States Army Officers assigned to assist the Iranian Government may be said to be engaged in Government work, they must necessarily become involved in the political aspects of the country. In addition, since the Iranian laws are probably quite peculiar in comparison to our laws, our officers may often unknowingly violate the law of the land.

Under such circumstances, our officers would continually be subject to review for their actions by the Iranian Government and the Majlis could for little cause and without reference to the proper United States authorities, cause the discharge of officers so assigned.

It is realized that such a situation may never arise, it is nevertheless a possibility and the discharge of our officers under such circumstances would not be desirable. It may be pointed out that any officer assigned to assist a foreign government is naturally withdrawn when that Government expresses disapproval officially or unofficially of the actions of such officer.

The War Department has requested that steps be taken to have this particular part of the proposed act deleted. It is suggested that if the following language were inserted, the proposed act would be acceptable: "That upon mutual consent of the two Governments, the Majlis etc."

It is recommended by the War Department that an act enabling the Iranian Government to employ the services of General Ridley and other officers be also submitted to the Majlis for its approval. Such action would materially assist and expedite in the assignment of General Ridley and other officers to assist and advise the Iranian War Department.

The War Department has requested that the agreement constituting a United States Military Mission to assist the Iranian Government in reorganizing its *Gendarmerie* be expedited as this agreement has been pending for almost one year and the members of the Mission cannot receive any additional compensation from the Iranian Government until the agreement is signed.

HULL

891.01A/228 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, June 10, 1943—2 p. m.
[Received June 10—1:03 p. m.]

602. Department's 259, May 27.³⁵ Policy and action of Iranian Government with regard to employment of American advisers is uncoordinated and confused. While this is due to some extent to opposition of Deputies and young Iranian group to employment of foreigners, it arises primarily from weakness of Soheily Government which spends most of its time playing politics to protect its dwindling majority in Majlis and maneuvering for coming elections. Delays and uncertainties in obtaining Majlis approval will therefore be inevitable. I recommend that we consider each request for advisers on its merits rather than endeavor to lay down a hard and fast rule. My specific recommendations on pending requests follow:

1. Department should proceed with finding (a) Millspaugh assistants and (b) head of pharmaceutical company since these positions are already provided for by law. Question of their powers is unimportant since they are responsible to Millspaugh.

2. Sheridan's six assistants should not come forward until passage of law now pending in Majlis for their employment. Referring to Department's 248, May 20,³⁵ Foreign Minister informs me he will telegraph Minister in Washington authority to sign contracts there as soon as Majlis passes covering bill.

3. Iranian Government expresses strong desire to obtain services of General Reynold as health adviser, especially in view of possibility of severe typhus epidemic next winter. I see no objection to Department making purely tentative approach to Reynold.

4. Department is requested to continue efforts to find the transport men referred to in its No. 278, June 7.³⁵

5. No action should, in my opinion, be taken toward engagement of the mining, municipality, agriculture and irrigation experts until such time as the Iranian Government renews its requests and gives evidence that approval for their employment would be forthcoming from Majlis and Millspaugh.

DREYFUS

891.01A/229 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, June 14, 1943—1 p. m.
[Received 4:52 p. m.]

619. My 602 of June 10. I called on Prime Minister yesterday to express my dissatisfaction at the unreasonable delay in obtaining

³⁵ Not printed.

Majlis approval to various bills for engagement of American advisers. Soheily stated that while his Government strongly desires to support advisers his position in them all is so weak that he must proceed with the utmost care if the bills are to obtain approval. He declared that the deputies wish to trade their support for his assurance of their election, a condition he alleges he cannot accept. He added that he would dissolve the Majlis and call new elections were it not for fear the Shah and his military clique might in the interim seize the opportunity to institute a military dictatorship. The weakness and corruption of Soheily Government have brought about a political situation which borders on anarchy. Main responsibility for this rests on deputies, many of whom obstruct constructive measures such as Millsbaugh income tax bill and play politics for own benefit to detriment of common good. British Minister ³⁶ and I have conferred on subject and are in full agreement that the war effort, the American adviser program and the welfare of Iran itself require that we should seek immediate and effective remedy which will place sufficient power in hands of Soheily or another Government to deal with present emergency. We are endeavoring to enlist the active assistance of the Soviet Ambassador in seeking a formula but it is doubtful, in view of our past experience, whether Soviet cooperation can be obtained.

DREYFUS

891.20/218 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, June 14, 1943—3 p. m.

[Received 3 : 52 p. m.]

620. Department's 282, June 9. Iranian law specifically provides that in all contracts for engagement of foreigners Iranian Government must stipulate that contract may be canceled if person concerned engages in political activities or violates law or administrative regulations. Elimination of the clause from contracts would be illegal and I do not believe it wise at present to request Iranian Government to amend its law. It is extremely unlikely that Iranian Government would invoke this clause and if it were done the incident could undoubtedly be satisfactorily settled through diplomatic channels. General Ridley and Colonel Schwarzkopf have no objection to inclusion of the clause in their contracts.

Law engagement of Schwarzkopf mission is now pending in Medjliss. Law on employment of Ridley Mission will be presented as soon as draft contract enclosed with despatch number 588 [558] May 20 is agreed upon.

DREYFUS

³⁶ Sir Reader Bullard.

891.01A/231 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, June 29, 1943—3 p. m.
[Received June 30—3: 24 a. m.]

673. Sheridan, acting under terms of his contract, has given Iranian Government 3 months notice of intention to terminate contract at end of 1 year. He intends to leave Tehran in September at latest. Prime Minister, being very much dissatisfied with operation of Food Ministry under Sheridan and Tadayyon,³⁷ is most anxious to dissolve this Ministry and have its functions taken over by Ministry of Finance. Millspaugh, in view of unsatisfactory work of Food Ministry, has agreed to accept responsibility for food matters and a decree making the transfer is now being prepared. Millspaugh is accepting this responsibility notwithstanding fact that he does not have personnel to deal with problem.

He urges that War Department be requested to detail Colonel Bonneville and Major Speaks to Tehran temporarily to assume these functions under his supervision until such time as permanent personnel can be obtained. If both cannot come one would be acceptable. Their temporary employment can be arranged by Decree of Council of Ministers and salary or allowances can be granted them in accordance with wishes of War Department.

I agree as to necessity of placing food matters under jurisdiction of Millspaugh and urge that Department endeavor without delay to arrange detail of Bonneville and Speaks.³⁸

DREYFUS

891.51/581

The Minister in Iran (Dreyfus) to the Secretary of State

No. 602

TEHRAN, July 4, 1943.

[Received July 24.]

SIR: I have the honor, with reference to my telegram No. 661 of June 25th,³⁹ to enclose a copy of the letter⁴⁰ which Dr. Millspaugh addressed to the Prime Minister regarding Iran's critical financial situation.

This letter was written to the Prime Minister so that he could present a translation of it to a secret session of the Majlis in the hopes of convincing the doubting deputies of the seriousness of Iran's

³⁷ Minister of Food.

³⁸ Department's telegram No. 358, July 22, 1943, informed the Minister in Iran that Colonel Bonneville was not available but that Lieutenant Colonel Speaks could be placed on inactive status and was available for work as a civilian on a temporary basis (891.01a/231).

³⁹ *Post*, p. 580.

⁴⁰ Not printed.

financial position and of obtaining the passage of legislation which has been bogged down for some time before Majlis committees. Dr. Millspaugh's stratagem was at least partially successful since the Majlis, having considered the letter in a secret session of Sunday, June 27, passed one of the measures, that for the employment of six assistants for the Millspaugh mission, within a few days. The income tax law is still pending and may continue to be for some time since its high rates have made it extremely unpopular among the privileged classes which the deputies represent.⁴¹ The law on the issue of treasury bonds is also still pending but should eventually be approved. The difficulty in this matter will be to find buyers for the treasury bonds once they are issued.

Dr. Millspaugh, the Department will probably already have observed, is a power to be reckoned with in Iran. He is gradually assuming control over the entire financial and economic structure of Iran and is laying elaborate and far reaching plans to correct many of the country's ills. He is perhaps the only man in Iran at present who can obtain passage of legislation by the Majlis when he desires to put on the necessary pressure. Frankly, politicians are afraid of him even though they may obstruct, delay, grumble and criticize. For example, there was bitter opposition in the Majlis on Thursday, in discussing the bill for the employment of six assistants for the Millspaugh mission, to that section which provided for exemption of the American advisers from income tax payments. In spite of this, the full bill was passed quickly and by a comfortable majority.

Dr. Millspaugh's test of strength, however, is still to come. This will be when he actually puts into effect and enforces such unpopular measures as the income tax law and a contemplated plan for the requisition of certain private motor cars. When he begins to tread on the toes of the entrenched classes, who consider themselves as "untouchables", the day of his supreme test will have come. He is ready for the fray.

Respectfully yours,

LOUIS G. DREYFUS, JR.

891.51A/625 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, July 19, 1943—11 a. m.

[Received 12: 15 p. m.]

744. Millspaugh Mission is so understaffed and over-worked that its members have become discouraged to point of wishing to resign.

⁴¹ This measure had been introduced under the sponsorship of Dr. Millspaugh as Administrator General of Finances.

To prevent breakup of this Mission which is the key to our adviser program Department is urged to expedite departure of the six assistants and to arrange if possible for the temporary detail of Bonnevall and Speaks. It would be helpful if Department telegraph at once status of negotiations of employment of these eight persons.

Subordinate members of Millspaugh Mission feel that Millspaugh has undertaken such a comprehensive program that he has virtually become a government within a government. To carry out this complicated program under existing chaotic conditions would require they estimate employment of 94 Americans. It would indeed seem that either adequate American personnel must be obtained or a large part of the program abandoned in its incipiency. It seems unlikely in view of financial condition of Iran and present temper of Majlis, that legislative authority for employment of additional large number of American advisers could be obtained.

Can Department offer any suggestion as to how to meet this seeming impasse? Would it be possible to assign to Iran at American expense a group of men who are being trained for AMGOT⁴² work.

DREYFUS

891.51A/627: Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, July 29, 1943—noon.

[Received 1:02 p. m.]

787. Since sending my 744 July 19 Millspaugh and I have given much thought to finding a solution to meet impasse at which his Mission has arrived. We both agreed that it would be prejudicial to our interests and unfair to Iran to abandon without further effort large part of the comprehensive program adopted, which course of action is inevitable unless adequate personnel can be obtained. We decided that only practicable solution was for Millspaugh to recommend to Iranian Government employment of a total of 60 Americans for his Mission, which would include those already employed or authorized. A project of law giving him authority to employ this number without submitting names to Majlis in each case was approved with lightning speed by Council of Ministers and will be presented to Majlis today.

Opinion Iranian political circles concerning American advisers, having passed through initial stage of approbation and ensuing period of passive resistance and mild sabotage, appears to be swinging back to original position of full support. This more favorable attitude is due beyond doubt to noticeably increasing fear and sus-

⁴² American Military Government, Occupied Territory.

picion part of Iranians of both British and Russians. The Shah, who has been only lukewarm toward our adviser program, called me yesterday to pledge his cooperation in apparently sincere terms. He assured me that Schwarzkopf and Timmerman contracts will be approved without delay and that other Americans will be given support. He admitted that he is greatly perturbed at British hostility toward him and puzzled by present British political activity in Iran. He conjectured openly as to whether British may be trying deliberately to bring about revolution. He added that he has told Prime Minister frankly he considers present government too weak to meet existing crisis and that he has given Soheily a week to show signs of improvement. In absence of show of strength by Soheily Government Shah stated he will invite Mansur⁴³ to form a Government.

Since crying need of Millspaugh Mission is personnel I urge Department to use all its influence to obtain air priorities for Americans about to depart from United States.

DREYFUS

891.51A/845 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, August 29, 1943—noon.

[Received 9 : 22 p. m.]

894. Millspaugh is encountering severe and stubborn opposition in Majlis to income tax project and his already enacted regulation providing Government grain monopoly. Deputies bitterly oppose grain monopoly as it prevents them and entrenched classes they represent from hoarding wheat and making huge profits in free market. In spirit open rebellion against him they now threaten take jurisdiction over foods from him and return it to Ministry of Food which though defunct has not been legally abolished. They further threaten cause fall of Government if Soheily fails support them against Millspaugh; an interpellation on grain matters signed by 15 Deputies is being presented in Majlis today. While Soheily wants compromise and is endeavoring to get Millspaugh yield he told me yesterday he will back US advisers and stand or fall on this issue.

Neither Millspaugh nor I can conscientiously recommend granting of credit to Iran by US⁴⁴ unless a suitable income tax bill is enacted and without such a credit he feels he cannot accept responsibility for Iran's finances. He further feels irreparable harm would be done to his prestige and program as well as to grain collection plans if respon-

⁴³ Ali Mansur, former Prime Minister of Iran (1940-41).

⁴⁴ For correspondence relating to this subject, see pp. 561 ff.

sibility for grain matters is restored to Food Ministry. For these reasons he feels, and I concur, that he must take an adamant stand on these two questions. He realizes that such a stand may cause fall of Government or even his eventual withdrawal but feels there is no feasible alternative.

Time seems to have arrived when Millspaugh must face an important test to determine if he can carry on with any hope of success or whether interests of the selfish privileged classes will continue to prevail.

DREYFUS

891.20/245

The Iranian Legation to the Department of State

WASHINGTON, September 20, 1943.

The Minister of Iran in Washington is in receipt of the following communication from his Government:

We understand that the number of officers authorized by the United States War Department to serve in the Military Mission is not to exceed eleven, although at least thirty officers, not including civilian experts, are necessary for the Iranian Army. It is considered that with a smaller number it will not be possible to fulfill the program which our Ministry of War has planned.

The Iranian Government desires and expects that further consideration be given to this matter by the United States Government and that the appointment of a minimum number of thirty officers of various branches of the service to the Military Mission at Teheran be authorized.

891.51A/862

The Minister in Iran (Dreyfus) to the Secretary of State

No. 679

TEHRAN, September 22, 1943.

[Received October 8.]

SIR: I have the honor to transmit herewith French translations (as published in the *Journal de Teheran*, September 16 and 17) of a recent exchange of letters between Dr. Millspaugh and the Minister of the Interior, Taddayon, regarding a proposed new census of the population of Tehran.⁴⁵

As will be seen from the letters, Dr. Millspaugh considered that a revision of the previous census was essential in order to eliminate widespread fraud in the distribution of rationed bread. He accordingly issued an order for the formation of a commission to organize the new registration, to be composed of two American representatives

⁴⁵ Enclosures not reprinted.

of the Ministry of Finance and an Iranian representative of the Ministry of the Interior. Mr. Taddayyon took strong exception to this procedure, asserting that all matters relating to the registration of the population fell under the jurisdiction of the Ministry of the Interior and that Dr. Millspaugh had no authority in the premises. The result was an acrimonious exchange of letters. Despite a request by the Prime Minister that he refrain from doing so, Dr. Millspaugh gave his letter to the press, whereupon Mr. Taddayyon made public the entire correspondence.

Both the Shah and the Prime Minister were much disturbed by Dr. Millspaugh's attitude in this affair. The Prime Minister especially regretted the publication of the letters in defiance of his wishes. At his request, I have spoken to Dr. Millspaugh on the subject, and the latter has admitted that the procedure adopted may have been unwise. However, he feels that Mr. Taddayyon is a difficult man to deal with and that the best way to handle him is through a strong frontal attack. In support of this reasoning, he points out that Taddayyon has, in fact, been stirred into ordering an immediate census, which was the objective in view.

I believe that this incident will have no serious repercussions. However, it is an illustration of Dr. Millspaugh's tendency to take direct action without previously consulting other officials who may be concerned, notably his nominal superior, the Prime Minister. This may be necessary in some cases, but it is a cause of great irritation not only to the Iranians but also to Dr. Millspaugh's American associates. In several instances the morale of the latter has been seriously affected by the failure of their chief of mission to seek their advice, or even to inform them, regarding important measures. In this respect, Dr. Millspaugh appears to suffer from what I believe the French call "the defects of his qualities", since his great strength lies in his ability and willingness to take decisions and shoulder responsibility alone, while at the same time this characteristic leads him to ignore the help others could give him and to overlook the intangible factors of personal relationships.

Respectfully yours,

LOUIS G. DREYFUS, JR.

891.51A/860 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, October 11, 1943—4 p. m.

[Received 11 : 25 p. m.]

989. Millspaugh informs me he intends to present to Prime Minister his formal resignation as Administrator General of the Finances as soon as it can be prepared and translated, probably [apparent

omission] assistants with one possible exception have loyally and willingly agreed to follow his lead and present their resignations individually. Result will be complete withdrawal of American Financial Mission.

Millspaugh in letter to me states he now sees almost no possibility of success of his mission because of lack of staff, the uncooperative attitude of Majlis and the widespread graft, obstruction and sabotage with which he must contend in Iranian Government circles. He admits that his own illness has been a contributing factor.

I am inclined to agree with Millspaugh's appraisal of the situation and his conclusion that it is probably beyond his power to prevent the failure of his efforts. I fully appreciate fact that Financial Mission was intended to play an important role in American policy in Iran, especially in furthering our practical objective of insuring the Russian supply corridor and advancing our altruistic aims assisting the Iranians to rebuild their shattered economic and political structure. Millspaugh would not suggest nor support withdrawal of Financial Mission if it were thought that these important objectives would be advanced by its continued presence. The turn of events is unfortunate but I can see no logical nor dignified alternative. It would seem tactically preferable to withdraw now and place the historic onus squarely on Iranians' shoulders where it properly belongs than to continue unavailing efforts which would lead to ultimate failure. Millspaugh has worked unstintingly for Iran and has sacrificed himself to point of breaking his health. His self-effacing efforts have been sacrificed on the altar of Iranian greed and the treachery of self-seeking politicians.

In analyzing situation objectively I should attribute Millspaugh's failure to following factors in order of importance:

1. Iranian obstruction and sabotage. This has taken form of absolute lack of cooperation on part of Majlis, obstruction of selfish merchants and landlords who tremble in fear of reduction of their exorbitant profits, and attacks in a venal partisan press. Majlis for example has not yet enacted the emasculated income tax law nor approved project for employment of 60 additional Americans.

2. Lack of American staff. This has prevented the carrying out of essential work and has overburdened the small staff to point of illness and discouragement. Speaks abandoned the ship after a few days and Robinson perhaps the only first rate man of the lot will have to leave shortly because he has ruined his health from overwork. An important contributing factor has been the unreasonable delay at the American end in selecting and obtaining priority for American personnel, a fact which has greatly impeded building up of an effective staff.

3. Breakdown in Iran Government. This is due to general demoralization and to the inflation which has made salaries insufficient even for bare subsistence. Result has been such wide-spread graft

and inefficiency that accomplishment of anything constructive is rendered almost hopeless.

4. Lack of sympathetic understanding on part of American Army in Iran and of some Americans representing civilian agencies. These self-appointed makers of American policy blindly refusing to understand or further American aims in Iran have harmed Millspaugh's efforts by their criticism. This spirit is evident also on part of MESC⁴⁶ officials.

5. Millspaugh's own weaknesses, notably his illness, his inability to inspire and lead his staff and his intransigence toward Iranian suggestions.

In addition to above five points it is common gossip in Tehran that the British and Russians are working covertly to bring about general failure of American missions. While I have no positive evidence to substantiate his [*this*] charge the fact that it is given great credence tends to encourage the opposition to bolder action.

I recommend that at least until situation is clarified Department suspend action on employment of additional Americans for any kind of position in Iran and hold up the departure from United States of all such Americans now awaiting transportation. I further recommend that negotiations for a stabilization agreement be held up.⁴⁷ There would appear no valid reason at this time to suggest the withdrawal of the other American missions functioning in Iran.

It is possible that the Iran[ian]s who while sabotaging the efforts of the Financial Mission to put the Iranian house in order keenly desire the presence of Americans in Iran as a political buffer to British and Russian incursions, will endeavor to persuade Millspaugh to continue his mission on his own terms. Even in this eventuality he could not agree to continue unless the United States Government would undertake to furnish a large number of competent Americans within a fixed period of time.

DREYFUS

891.51A/869: Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, October 12, 1943—5 p. m.

527. You should inform Millspaugh at once that he should take no action until the whole matter is thoroughly discussed through the Legation with the Department. This is obviously a matter of the gravest importance and we are surprised that Millspaugh should have reached any decision without a full and frank interchange of views with the Department. This refers to your 989, October 11, 4 p. m.

HULL

⁴⁶ Middle East Supply Center.

⁴⁷ For correspondence, see pp. 561 ff.

891.51A/865 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, October 13, 1943—noon.

[Received October 14—5:08 a. m.]

993. My 989, October 11. Millspaugh and his American staff will today present to Prime Minister their formal resignations, which will take effect on November 2. In the interim period they offer Iranian Government full cooperation in effecting an orderly turnover of their functions.

It will be well to point out and bear in mind some possible consequences which may attend or follow the withdrawal of the American Financial Mission. In an economic sense there will naturally be a temporary increase in the already existing confusion in matters such as road transport, grain collection, finance, price stabilization, et cetera, which Millspaugh has had under his direct control.

In the political sphere, which is closely related to the economic, the consequences may prove to be more profound and far reaching. The British, responsible for Allied security in Iran, may find it necessary to reconsider their position and perhaps intervene even more fully and directly in Iranian affairs, to prevent further deterioration in Iranian economy. The Russians always suspicious of British motives and action in Iran would perhaps seize the opportunity to tighten their grip on the northern zone and lay plans for further penetration. The result might well be to intensify or precipitate the already existing but somewhat quiescent struggle of the British and Russians for Iranian hegemony. It should be emphasized that, entirely apart from the Millspaugh question, Russian-British relations in Iran have been so unsatisfactory and mutually suspicious that there is always danger of a renewal of their pre-1907 struggle for ascendancy.⁴⁸ (See for example my telegram no. 976 October 2⁴⁹ re Tabatabai.) While American interest in Iran is [*in*] the form of advisers probably serves as a restraining influence on the British and Russians it is unlikely that it could prevent an eventual clash if the issues become sufficiently clear and the time propitious. It is understood that the British propose to discuss at Moscow ways and means of effecting better Allied cooperation in Iran and of improving Iran's economy.⁵⁰ It might be possible to bring within the scope of the conversations a general discussion of the position of the American advisers in Iran and the means by which they could be given greater Allied support and be made a

⁴⁸ For the Anglo-Russian Convention of August 31, 1907, see *Foreign Relations*, 1907, pt. 1, p. 550.

⁴⁹ *Ante*, p. 389.

⁵⁰ For correspondence relating to the question of Iran at the Moscow Conference of the Three Foreign Ministers, October 18–November 1, see vol. I, index entries on Iran under Tripartite Conference of Foreign Ministers.

more effective instrument in bringing about Iran's regimentation. Any instruction or guidance the Department may be able to give for use in the conversations will be appreciated.

As noted in my 989 Millspaugh has left the way open for the Iranians to suggest continuance of the Financial Mission on a new basis. However such a course would not be advisable unless the American Government is able and willing to give the American missions in Iran more active and substantial support as a matter of determined policy. While certain Divisions of the State Department have rendered valuable assistance other agencies of the Government have not given the support without which the missions cannot hope to succeed. It would appear to me that a remedy for this situation must be sought in the highest policy making levels if the United States is to continue to play an active [role?] in Iranian affairs. Specifically it would be necessary, if Millspaugh is to continue, that American personnel requested be selected and arrive in Iran within a reasonable period of time, say a maximum of 2 months. Since it is well realized that the State Department does not have facilities for selecting a large number of men it would be necessary for Millspaugh to make his own arrangements for employment, in close collaboration with the Department.

DREYFUS

891.51A/860 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, October 13, 1943—7 p. m.

530. Department urgently requests Millspaugh and his assistants to withhold resignations pending outcome of important current developments.

At the coming Moscow conference the British and ourselves are to ask the Soviet Government for concrete support of the Millspaugh Mission and Iranian Government.

Steps have just been taken here which should bring about a change in the attitude of the American forces in Iran and full cooperation with you and Millspaugh by the Persian Gulf Service Command.⁵¹

Millspaugh should also consider obligations to men who have agreed to go to Iran only upon his assurances or because his mission was there. These include his own assistants, pharmaceutical executive, transportation experts, et cetera, some of whom have resigned responsible positions, relocated their families and made all preparations to depart.

We are fully conscious of the almost incredible difficulties Millspaugh has met and the admirable work he has done in spite of his

⁵¹ This refers to the Presidential appointment of Brig. Gen. Patrick J. Hurley to undertake a mission to Iran to settle Legation-Persian Gulf Service Command problems; for correspondence on Hurley's visit to Iran, see pp. 392 ff, *passim*.

frequent illnesses. However, for his mission to withdraw at this juncture might be catastrophic for Iran and the whole Allied position in the Middle East. Even though the Mission might be forced to withdraw later, we feel strongly that it should carry on its work as long as possible. If Dr. Millspaugh's health requires his early resignation we propose to take immediate steps to find a successor for him and would welcome his recommendations.

Treasury Department has suspended negotiations for stabilization agreement.

Please telegraph current developments urgently.

HULL

891.51A/864 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, October 15, 1943—noon.

[Received October 15—11:18 a. m.]

999. Millspaugh presented his resignation to Prime Minister yesterday at noon just before having received the information contained in Department's 527, October 12. His resignation was accompanied by those of 14 American members of his staff which comprises all American members except 3 who were not in Tehran at the moment.

Millspaugh asks that following paraphrased explanatory remarks be transmitted to Department:

"I believed I had discussed the matter frankly and fully with the Legation and I understood the Department had been informed that unless conditions improved the Mission might have to leave. It was also agreed that the situation would be hopeless unless the Majlis passed the 60 man and the income tax projects. I told the Financial Laws Commission some time ago that I would be unable to carry on my work unless the Majlis passed the income tax project. The project has now been emasculated by the Commission. In view of accumulating obstruction and opposition I feel convinced the time has come for drawing the issue and taking the strongest possible stand.

In placing responsibility on Majlis I believe that I am on solid ground. In case the Majlis passes these two projects I feel that the Mission's prestige and chances of success will be increased. If it does not pass the projects, in my judgment the Mission is certain to fail. Even if the Mission should be retained here, it may be necessary that I resign in the near future for reasons of health. I believe the Department should be requested to find at once someone qualified to replace me."

I have as yet received no Iranian reaction, official or private, to the resignations. Prime Minister has requested me to meet with him and Millspaugh this a. m. after which I will telegraph Department fully.

I recommend that in our conversations with Iranians here and in Washington we stress that this step was taken because the Mission was placed in an impossible position due to lack of cooperation on part of Iranians.

DREYFUS

891.51A/867: Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, October 15, 1943—8 p. m.

[Received October 17—4:15 a. m.]

1000. My 999, October 15. Prime Minister, Millspaugh and I have had long and frank exchange of views on subject of resignations.

I began discussions by expressing my regret at the unfortunate turn of events which had resulted in the resignation of the Millspaugh Mission.

Millspaugh then expressed his deep regret at finding himself obliged to resign since he has a great regard for Iran and a deep desire to be of service. His step was taken he stated because lack of cooperation on the part of the Majlis and most of the Government had made it useless for him to carry on. For example, the Majlis was holding up three important bills without which he could not see his way clear to continuing. These were the income tax law, the bill for engagement of 60 Americans and the bill calling for appropriation of 400,000,000 rials for grain purchases.

The Prime Minister then expressed his great regret at the resignation of the Millspaugh Mission, especially since he had been to a great extent responsible for bringing Americans to Iran. He stated that he believes he has offered the fullest cooperation to the Mission, mentioning particularly that he had agreed to the employment of any personnel requested and had approved and forwarded to the Majlis without amendment any legislation asked for by Millspaugh. Millspaugh agreed that Soheily's cooperation had been good but mentioned frankly that the weakness of the Government had prevented it from taking leadership in Majlis to see that essential legislation was passed. Prime Minister replied that Iran is now a democratic country so that criticism in Majlis must be expected. Millspaugh agreed that criticism was unavoidable and even desirable but said it should be constructive and not for purpose of obstruction. Prime Minister admitted frankly that the Deputies are at present playing politics in order to seek reelection.

Prime Minister then stated clearly that in his opinion Millspaugh Mission should withdraw resignation for following three reasons:

(1) Iran is in great need of American assistance and has adopted a policy of drawing ever closer to United States; (2) it would be in the long range interests of the United States to have American advisers in Iran; and (3) it would be in Millspaugh's interest to continue since if he withdraws now the memory of his great services to Iran might be destroyed and people would say he withdrew because he had failed. Millspaugh replied that he was unable to comply with the request to withdraw resignation in view of the futility of bargaining with the Majlis in a completely uncooperative mood. The Prime Minister requested him to withdraw the effective date of the resignation but this Millspaugh refused to do since this would be equivalent to withdrawing resignation.

The Prime Minister then stated he had no alternative but to present the resignations to the Council of Ministers Saturday and to a secret mission [*session*] of the Majlis on Sunday. He hoped to be able to find a compromise solution since the only other two alternatives were to dissolve the Majlis, which was hardly wise since it has only 35 days to run, or to offer his own resignation. When asked whether the new Majlis might be expected to come into being soon after expiration of present one Prime Minister stated elections were not completed but that he hoped this would be the case. He was however vague and uncertain. When asked whether the three pending bills might pass the Majlis soon the Prime Minister stated he saw no reason why the 60 man project and the 400 million rial appropriation would not pass but the passage of the income tax bill before expiration of present Majlis was doubtful.

Prime Minister in closing asked Millspaugh to adopt a more flexible attitude toward Iranian suggestions instead of his present intransigent one. He said, for example, that Millspaugh should give in on the question of refusing to issue individual permits for bringing grain to the cities, a subject on which the Majlis is especially bitter. Millspaugh explained that this was a matter of principle; he could hardly allow the rich to fill their bins when the needs of the common people had not been assured. This he said in addition to the income tax bill showed how the Deputies are playing their own game to the detriment of the country. Millspaugh stated he does not wish to be intransigent; to prove this and also to show his desire to do everything possible in the bread situation he proposed to ask Soheily to appoint Moshar Raf Naficy or some other important Iranian to post of Head of Cereals Section of Finance Ministry, with full authority and promise that his advice would be accepted. Prime Minister seemed pleased at this idea and suggested it be carried out.

Prime Minister was disappointed that resignations were not withdrawn but I believe he received the hint that they might be if the Majlis were to assume a more cooperative attitude and pass some of the pending legislation. I am somewhat hopeful that a compromise may be reached. There has as yet been no press, official [or?] private reaction to the resignations. I will report further developments promptly.

DREYFUS

891.51A/872 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, October 19, 1943—8 p. m.
[Received October 20—3:27 a. m.]

1007. My 1000, October 15. Majlis has just finished a secret session devoted to discussion of Millspaugh resignation. A Deputy with whom [apparent omission] as considerable criticism of Millspaugh's dictatorial "take it or leave it" attitude the vast majority of Deputies are strongly in favor of doing everything possible to retain Millspaugh Mission. I talked on the phone with the Foreign Minister who said "The session went well and I am very hopeful". I have an appointment with Foreign Minister tomorrow on subject and will immediately thereafter report full details.

Press has unanimously adopted line that the Millspaugh Mission and American advisers in general must be retained in Iran at all costs. Some papers and most politicians criticize severely Millspaugh's intransigent attitude and state that Iran does not need a dictator. Leading politicians and important persons such as Shah and Ala are working among Deputies and Government officials to effect a compromise which will enable Mission to continue.

Ala informs me the Shah has virtually issued orders to Majlis to pass the pending bills without delay.

I regret that most Iranians are thinking unduly of the international political reasons why Iran must have United States advisers and almost ignoring the important economic side. Since our purpose in sending advisers was to assist Iran to rebuild her economic as well as political structure, I believe it would be well to stress to Iranians in Washington that we expect the fullest cooperation from the Government in contributing to the success of the economic phases and do not approve of the too prevalent view that American advisers are useful only as mere political buffers.

Repeated to Moscow for Jernegan.

DREYFUS

891.20/247

The Secretary of State to the Iranian Minister (Shayesteh)

The Secretary of State presents his compliments to the Honorable the Minister of Iran and refers to the Legation's note of September 20, 1943 requesting the assignment of additional personnel to the United States Military Mission at Teheran.

The War Department has informed the Department of State that the United States Army is deployed on a world-wide front against the common enemy and that the need for Army personnel is such that the number so assigned to Iran must be kept to the minimum capable of providing the advice and assistance requested and utilized by the Iranian Government. The War Department has also stated that before a request for an increase in the size of the Mission would be considered it would have to have the approval of Major General C. S. Ridley, Chief of the Mission, and when approved it would still be necessary for the War Department to weigh the request against the many demands for officer personnel.

WASHINGTON, October 19, 1943.

891.51A/871 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, October 20, 1943—6 p. m.

[Received 7:29 p. m.]

1008. My 1007 October 19. Foreign Minister states that he was much pleased at outcome of secret session of Majlis and he sees no reason why a fully satisfactory formula for retention of Millspaugh Mission cannot be found. Deputies, with few exceptions, took view that Financial Mission must by all means be kept in Iran although they criticized Millspaugh's methods and hoped he would be more flexible.

Although no formal decision was taken the Deputies appear to agree that all pending legislation of interest to us will be passed before expiration of session. Millspaugh has prepared and submitted a compromise draft of the income tax law which it is believed Deputies will be willing to accept. Millspaugh seems to be satisfied with the Majlis reaction to his resignation.

I am meeting with him tonight to discuss matter fully.

In my conversation with Foreign Minister today we made a list of pending matters which should have immediate attention. These include 60 man project, ratification of trade treaty,⁵² approval of proposed agreements on finance,⁵³ Lease-Lend⁵⁴ and presence of Ameri-

⁵² See bracketed note, p. 600.

⁵³ See pp. 561 ff.

⁵⁴ See bracketed note, p. 600.

can forces in Iran⁵⁵ and passage of bills for employment of Reynolds⁵⁶ and McDonnell.⁵⁷ He seems confident that Government would have no difficulty in obtaining favorable action in any of these matters.

Repeated to Moscow.

DREYFUS

891.51A/873 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, October 21, 1943—11 a.m.

[Received 3:05 p. m.]

1009. My 1008, October 20. Considering the satisfactory turn of events reported in my latest telegrams Millspaugh is willing to withdraw his resignation and those of his staff if the Majlis will pass the 60-man project and the income tax bill. Prime Minister states progress in committee was made in last session of Majlis on bills for employment of various Americans. Revised income tax bill appears to have been favorably received by the Majlis and there is every hope of its passage.

In view of the likelihood of continuation of the Financial Mission it is suggested that Department continue its negotiations with the various Americans under consideration and make tentative plans for their departure. Millspaugh strongly recommends and I agree that Shields⁵⁸ should come forward without delay and without waiting to complete arrangements for employment of his assistants. This is suggested because the Road Transport Board was set up independently of Millspaugh Mission and in view of fact that transport, which is the keystone of most of our economic activities in Trau [*Iran*], is badly disorganized.

Repeated to Moscow for Jernegan.

DREYFUS

891.51A/872 : Telegram

The Acting Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, October 22, 1943—10 p. m.

544. We think that agreements for Military and *Gendarmerie* missions should be included in pending matters demanding immediate attention listed in your 1007, October 19.

⁵⁵ See pp. 453 ff.

⁵⁶ Maj. Gen. Charles R. Reynolds, a possible candidate for the Director Generalship of the Iranian Ministry of Health.

⁵⁷ John N. McDonnell, a possible candidate for the position of Executive Director of the Iranian Pharmaceutical Institute.

⁵⁸ Floyd F. Shields, American Director of the Iranian Road Transport Department.

McDonnell yesterday declined to accept position of pharmaceutical director. We will try to find another man promptly.

STETTINIUS

891.51A/882a : Telegram

The Acting Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, October 22, 1943—midnight.

546. The Department contemplates asking the War Department to provide sufficient officer personnel from its schools of military government to staff the Millspaugh mission adequately. Please telegraph a list of the positions that need to be filled, stating which are already authorized and when authorization may be expected for the remainder.

Lamb and Pixley are enroute to Tehran. Ferguson and Wiley are ready to depart. Shall we let them proceed?

Sent to Tehran. Repeat to Moscow as Department's 1064 marked "For Jernegan".

STETTINIUS

891.51A/885d : Telegram

The Acting Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, October 23, 1943—10 p. m.

547. We have stressed to the Iranian Legation here the points made in the final paragraph of your 1007, October 19, 8 p. m. and we believe you should take similar action with the Prime Minister as under instructions from the Department.

Sent to Tehran. Repeat to Moscow marked "For Jernegan".

STETTINIUS

891.51A/877 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, October 25, 1943—6 p. m.
[Received October 26—12: 54 a. m.]

1019. The Medjliss, continuing its current wave of activity yesterday passed following three bills: (1) law authorizing employment of 60 Americans (2) bill ratifying the trade agreement (see my last one on trade treaty⁵⁹) and (3) bill authorizing employment of military mission. I shall now press Foreign Office for signature of Ridley contract.

Repeated to Moscow.

DREYFUS

⁵⁹ Possibly telegram No. 960, September 27, 10 a. m., not printed.

891.51A/876 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, October 25, 1943—11 p. m.

[Received October 26—9:45 a. m.]

1913. From Landis.⁶⁰ "General examination Iran situation leads to many conclusions, which will detail more fully subsequently, but of prime importance is full support Millspaugh Mission with personnel. Otherwise certain failure to result. To date his requests personnel have not been met nor have men available been given sufficient priority. His are immediate and not a matter of months. Shields on transportation and McDonald [*McDonnell*] on drugs are essential. Both have badly broken down. Substantially no drugs now available save on black market at fantastic prices though many drugs in warehouse. On cereals Tehran today as 3 to 5 days' food supply which steadily decreasing due to transportation difficulties. Unless deal with Russians for 40,000 tons wheat from Russian zone is consummated quickly, starvation ensues. Bread lines even now forming. If Department's policy seriously supports Millspaugh it must give concrete evidence of such support. Many prominent Iranians skeptical of us. We talk big but produce little is their comment. Definitive answer future Millspaugh Mission will be made by month end. After that hesitation by Department is suicidal suggest that State should take complete control of all priorities civilian personnel now getting air space to travel Middle East and thus meet first needs first."

KIRK

891.51A/881 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, October 29, 1943—noon.

[Received October 29—3:57 a. m.]

1030. Department's 546, October 22. Millspaugh appreciates the Department's suggestion of endeavoring to obtain men to staff his mission from the schools of military government and would like to avail himself of the offer on the following basis. If the Department can obtain the consent in principle of the War Department Millspaugh would like to have the State Department put Robinson, who has returned to United States of America and will act as employment agent for the Mission, in touch with officers who may be suitable for the positions to be filled. Millspaugh feels it is preferable not to proceed with any mass employment but rather to insure a steady flow over a

⁶⁰ James M. Landis, American Director of Economic Operations in the Middle East.

period of months of men carefully selected for their jobs. Robinson would thus be able to select men from schools of military government as well as from civilian life. The positions most urgently to be filled at the moment and for which Robinson will at once endeavor to find men are: (1) Director General of Accounts and Audits (2) Director General of Personnel (3) Head of Cereals and Bread Section (4) Administrator of Distribution and (5) Chief Inspector (Millspaugh suggests that Irving Brown again be approached for this position). Millspaugh is now interviewing a number of men formerly employed by Foley Brothers⁶¹ some of whom may be suitable for subordinate positions especially in the provinces.

Millspaugh suggests Ferguson and Wiley be held up until he receives satisfactory assurances that the Medjlis will soon pass an adequate income tax bill. He hopes this will take place within a few day[s].

DREYFUS

891.20/251 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, October 31, 1943—6 p. m.

[Received 11:59 p. m.]

1034. Following is text of law passed by Medjliss on October 21 authorizing Iranian Government to sign agreement employing Schwarzkopf Mission:

"Article 1. The National Consultative [*Constituent*] Assembly authorizes the Government to collaborate with the Government of the United States of America for the engagement of a mission of American Army officers, NCO's⁶² and experts, the number of officers of which shall not exceed eight, with a view to reforming the affairs of the *Gendarmerie*, on the following terms:

(a) The senior officer of the mission will be the chief of the mission and will have the title of Advisor to the Ministry of the Interior for the *Gendarmerie*.

(b) The mission's period of engagement will be 2 years, the period of their engagement may be renewed by mutual consent 3 months before the expiration of this period.

(c) The salary of no member of the mission may exceed \$8,000 a year.

Salaries must be paid in 12 equal installments, in dollars in America to the extent which each member of the mission desires and the balance in rials in Iran (at the official rate of exchange).

The salaries of members of the mission will be exempt from every sort of tax or charges which are now, or shall in future be, imposed whether by the Government, or by administrative or political divisions subject to the Government. And if any new tax applicable to their

⁶¹ American construction firm in Iran.

⁶² Non-commissioned officers.

salaries should be imposed at this time or during the course of the agreement it must be paid by the Ministry of the Interior, so that each member of the mission shall receive the exact salary allotted to him without any reduction. The traveling expenses of members of the mission and of their families (wife and children) from America to Iran and back will be fixed by agreement between the American and Iranian Government[s].

(d) The Government is authorized, after consulting the Ministry of the Interior, to fix and give effect to the limits of powers, duties and other terms of engagement of the members of the mission, with the consent of the United States Government."

I have gone over draft agreement in great detail with present Minister of Interior Tadayyon who requests that the following changes be made:

[Here follow suggested changes in draft agreement.]

DREYFUS

891.51A/883 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 1, 1943—2 p. m.

[Received 2:20 p. m.]

1037. The Financial Laws Commission of the Majlis met with Millspaugh on Saturday and after a long session approved an agreed draft of the income tax bill. Since the Majlis continues unnecessarily to delay passage of this essential bill Millspaugh and his staff of Americans will cease work on November 3. There is every indication that this action will insure and hasten the passage of the tax bill after which Millspaugh and his staff are prepared to withdraw their resignations and return to work. It is necessary to proceed in this manner since the Majlis has little desire to pass an income tax bill and because the session ends on November 22.

While I have every hope that the bill will pass and Millspaugh will remain I have decided to postpone my departure for the United States until the question is finally settled. I will not therefore proceed with the Secretary's party.⁶³

DREYFUS

891.51A/876 : Telegram

The Acting Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, November 1, 1943—9 p. m.

1649. The Department can do little to speed adviser personnel for Iran without change in Iranian constitution requiring special law for employment of each officer by name after his selection. Qualified men

⁶³ The Secretary of State was at this time returning to the United States from the Tripartite Foreign Ministers' Conference at Moscow.

will not agree to quit responsible positions, make arrangements for their families, et cetera, and then wait indefinitely for Iranian Government to act.

Dr. McDonnell was nominated in telegram to Tehran of September 12 for position of pharmaceutical executive already authorized by Iranian law. No confirmation has been received and he now has withdrawn acceptance. We have informed Tehran that Shields and his two chief assistants are ready to depart as soon as latter are confirmed.

Department controls air priorities among various civilians but naturally not in relation to armed forces and Army employees. We understand that in establishing priorities among various groups the Army often follows recommendations of Theater Commanders. We completely agree as to urgency of personnel for Millspaugh mission and it will be most useful if you can persuade Theater Commander to telegraph War Department asking for high priority for them. If this is done please telegraph date and number of his telegram for reference on applications.

Above is for Landis in reply to your 1913, October 25, 11 p. m. Please repeat to Tehran.

STETTINIUS

891.51A/884 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 2, 1943—11 a. m.
[Received November 3—4:30 a. m.]

1039. My 1037.⁶⁴ Prime Minister has requested Millspaugh to postpone for one week the date on which his Mission will cease work if income tax measure is not passed by the Majlis. Millspaugh has acceded both because he does not wish to be intransigent and because he realizes that it is not reasonable to expect the Majlis to pass such an important measure in one session. He will stress in his reply to Prime Minister that Majlis failed to take advantage of the 2 weeks which have elapsed since he presented his resignation.

DREYFUS

891.51A/886 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 3, 1943—6 p. m.
[Received 8:54 p. m.]

1043. My 1037, November 1. Income tax bill has been brought to the floor of the Majlis although debate has not yet begun. I have

⁶⁴ Dated November 1, p. 551.

received the warmest assurances from Shah and Prime and Foreign Ministers that the bill will pass the Majlis without delay. Therefore both Millspaugh and I feel I am now justified in departing for the United States on leave. I shall take advantage of the delay which has occurred in the arrival at Tehran of the Secretary's party and proceed with them to the United States.⁶⁵ Please hold my mail.

DREYFUS

891.20/252 : Telegram

The Chargé in Iran (Ford) to the Secretary of State

TEHRAN, November 4, 1943—4 p. m.

[Received 5:48 p. m.]

1047. Agreement covering engagement of Ridley Mission signed by Minister Dreyfus and Foreign Minister November 3.

FORD

891.20/254

The Chargé in Iran (Ford) to the Secretary of State

No. 713

TEHRAN, November 5, 1943.

[Received November 16.]

SIR: With reference to the Department's telegraphic instruction No. 364 [384] dated August 2, 1943⁶⁶ I have the honor to enclose the English and Persian texts of the agreement signed at Tehran on November 3, 1943 by the Iranian Minister for Foreign Affairs, Mr. Mohammed Saed, and Minister Dreyfus for the engagement of the Ridley Military Mission.⁶⁷

The seemingly interminable delays in concluding the contracts of the various American missions in Iran now appear to be drawing to an end. With the signing of the Timmerman and Ridley contracts and the passage of the 60-man project for the Millspaugh Mission, there remains only the Schwarzkopf agreement yet to be signed. The Iranian Government has assured the Legation that it will sign the latter agreement immediately upon the Department's approval of the changes suggested in my telegram No. 1034 dated October 30 [31], 1943. The Millspaugh showdown has, of course, helped to accelerate this trend to a marked degree.

The Iranian Government was genuinely anxious to have the enclosed agreement signed, and lost no time once the enabling law was

⁶⁵ Regarding the Minister's departure for the United States and his return to Tehran, see his telegrams No. 1045, November 4, 9 a. m., and No. 1059, November 13, 9 a. m., pp. 400 and 410, respectively.

⁶⁶ Not printed.

⁶⁷ Enclosures not printed.

passed by the Majlis. There is a sincere desire on the part of all Iranians except for a small clique in the Ministry of War to see the Ridley Mission successful. The officials and common people of Iran both realize the woeful inadequacies of the Iranian army as it exists today and the absolute necessity of a foreign military mission. As the Legation has reported previously, General Ridley's knowledge of his field and his manner of dealing with the Iranians have made an extremely favorable impression and there is every reason to expect definite results from his mission.

Respectfully yours,

RICHARD FORD

891.51A/888 : Telegram

The Chargé in Iran (Ford) to the Secretary of State

TEHRAN, November 8, 1943—9 a. m.

[Received 11:46 a. m.]

1051. In three sessions Majlis has passed only 6 out of more than 20 articles of income tax bill. Millspaugh considers progress too slow and says that if it is not finally passed at tomorrow's session the Mission will stop work the following day. Believing Majlis will ultimately pass bill rather than have Mission leave, he attributes delays to a desire to test his determination to resign. Accordingly, he proposes to make no further extensions of resignation date and thinks if the Mission ceases to function it will convince the Majlis he means business and will result in quick action on the bill.

FORD

891.51A/890 : Telegram

The Chargé in Iran (Ford) to the Secretary of State

TEHRAN, November 10, 1943—noon.

[Received 7:17 p. m.]

1053. My 1051, November 8. At personal request of Shah made yesterday afternoon, Millspaugh has agreed that Mission shall continue work today and tomorrow despite fact Majlis has still passed less than half of income tax articles. However, he is issuing press statement, for publication this evening, stating he had resigned effective November 2, had extended time by 1 week at Prime Minister's request and has now agreed to stay 2 more days at request of Shah. Statement is couched in conciliatory language and does not entirely close door to further postponement even if income tax bill is not passed by tomorrow night. (Passage in that time unlikely though Majlis is now supposed to meet twice daily and Shah has promised his active support.)

I urged on Millspaugh desirability of temporizing in view of Department's urgent desire that Mission continue plus the fact that Majlis has given some evidence of good faith by devoting its exclusive attention to income tax bill. He feels, however, he is making substantial concession in agreeing that the Mission continue work for 2 days and that his action would be misunderstood unless he published the facts and made it clear that he has not withdrawn his resignation. He may be justified in his belief that Majlis will not bring itself to pass the bill unless it is convinced, by positive action, that it is only way to keep Mission. Both he and I feel bill will go through but there is always the chance Deputies will rebel in the face of an apparent ultimatum. There is no doubt that they are personally opposed to measure, which hits their own pocketbooks, and Prime Minister has apparently failed to implement his assurances of positive support.

Repeated to Cairo for Landis.

[FORD]

891.51A/891 : Telegram

The Chargé in Iran (Ford) to the Secretary of State

TEHRAN, November 11, 1943—noon.

[Received November 11—7:40 a. m.]

1055. My 1053, November 10. Medjliss yesterday passed seven additional articles of the income tax law, including the schedule of rates and other controversial provisions. Millspaugh's published statement appears to have been well received and to have had a good effect in expediting action. Medjliss meets again today and may well complete passage of the bill, since only seven articles remain for consideration.

FORD

891.20/254a : Telegram

The Secretary of State to the Chargé in Iran (Ford)

WASHINGTON, November 11, 1943—2 p. m.

574. Effective on the date when the *Gendarmerie* contract is signed, the War Department, with the concurrence of the Department of State, is relieving Colonel Schwarzkopf from assignment to duty with the American Minister at Tehran and assigning him as Chief of the United States Army Mission to Iran in connection with the reorganization of the Iranian *Gendarmerie*.

Schwarzkopf will discuss this with you on his return.⁶⁸

HULL

⁶⁸ Colonel Schwarzkopf had been in the United States for consultation with the War Department.

891.51A/892 : Telegram

The Chargé in Iran (Ford) to the Secretary of State

TEHRAN, November 11, 1943—3 p. m.
 [Received November 11—1:24 p. m.]

1056. Medjliss today passed income tax project in its entirety and while a few minor changes were made Millspaugh states that on the whole it is acceptable. He said [*asked?*] that departure of Shields, Hurst and Breitenbach be expedited.

FORD

891.51A/897 : Telegram

The Chargé in Iran (Ford) to the Secretary of State

TEHRAN, November 12, 1943—2 p. m.
 [Received 5:19 p.m.]

1057. My 1032, October 30,⁶⁹ and 1056, November 11. With passage of income tax law all remaining members of Millspaugh Mission may proceed to Iran and should do so without delay. It is especially urgent that Shields, Breitenbach and Hurst arrive at the earliest possible moment and they should be given first priority in obtaining air accommodations. All three are being engaged under the terms of the 60-man project a résumé of which follows:

Article I. Ministry of Finance, upon recommendation of Administrator General, is authorized to employ up to 60 Americans including those already engaged.

Article II. Salaries may range from \$3,500 to \$12,500 payable in the United States and exempt from Iranian income tax. After 1 year's service in Iran not more than 5 of these men may be increased to \$15,000.

Article III. Period of service shall be 4 years beginning from date of departure from the U.S. Either party may terminate engagement after 8 months service upon giving 4 months notice.

Article IV. Rent, light and fuel or 20% allowance provided by Iranian Government.

Article V. Traveling expenses to and from Iran and travel within the country will be paid by Iranian Government.

Article VI. In the event of death or disability Government will pay sum equal to 2 years salary and return travel expenses for self or family; if death or disability occurs during last 2 years of contract employee or heirs will be paid only [for] period of service remaining.

Article VII. If contract is canceled for reasons other than those mentioned in article VI Iranian Government will deal fairly with employee.

⁶⁹ Not printed.

Article VIII. For each American director an Iranian deputy director will be appointed at a suitable rank and salary. The Americans will give to "educated and experienced Iranians the fullest opportunity for employment and advancement."

Article IX. Other employment conditions will be in accordance with law of 23 Aghrab, 1301 (the basic law for employment of foreign officials).

Complete text being sent by air mail to the Department.

Millspaugh requests that the Department again approach Irving Brown since he can now be given a 4 years contract under the terms above.

FORD

891.51A/914

The Minister in Iran (Dreyfus) to the Secretary of State

No. 734

TEHRAN, November 19, 1943.

[Received December 2.]

SIR: With reference to my telegram No. 1057 dated November 12, 1943, I have the honor to enclose the text of the law passed by the Majlis on October 24, 1943 authorizing the engagement of sixty Americans for the American Financial Mission and a list of positions in the Mission both filled and vacant.

This law would probably have died still-born in the committees of the Majlis had it not been for the "show-down" precipitated by the recent resignation of the entire Millspaugh Mission. The passage of this bill, while it was not considered as important as that of the income tax bill, was absolutely necessary if the Mission were to continue in Iran. As the Department is well aware, the previous procedure for the engagement of members of the mission involving a separate act of the Majlis in each case, led to interminable delays and the occasional loss of qualified men who were unwilling and unable to await Majlis action.

[Here follows discussion of personnel problems.]

Respectfully yours,

LOUIS G. DREYFUS, JR.

[Enclosure]

LAW OF 1 ABAN, 1322, FOR THE ENGAGEMENT OF SIXTY AMERICANS

Article I. The Ministry of Finance, on the recommendation of the Administrator General of the Finances, is authorized to employ up to sixty (60) American citizens, including those already engaged, for

the various branches of Finance administration that come under the Ministry of Finance and the Administrator General of the Finances.

Article II. These persons may be paid annual salaries ranging from \$3,500 to \$12,500, payable in the U.S.A. and exempt from the Iranian Income Tax. After one year's service in Iran, not more than five of these men may be paid salaries up to \$15,000.

Article III. The period of service shall be four years. The commencement of service shall be as from the date of his departure from the U.S.A.; and, after the lapse of eight months, the Iranian Government or the said person shall have the right at any time to terminate his services; but either party must notify the other party of his intention to cancel the contract four months before the date of termination.

Article IV. The lodging, fuel and lighting expenses of these persons shall be paid by the Government but they are free to receive instead an allowance equal to 20% of their salaries.

Article V. Travelling expenses to Iran and return for the said persons and their immediate families will be paid by the Iranian Government and also their necessary travelling expenses inside the country.

Article VI. If any of the above mentioned persons should die prior to the expiration of his period of service, or, because of Government service, should become disabled, the Iranian Government will pay a sum equal to two years' salary to the heirs of the deceased or to himself if he should be living; and also the return travel expenses of himself and his family. If death or disability should occur within the last two years of service, the said person or his heirs will be entitled to receive only the salary of the remaining period of service.

Article VII. If the employment contract of any of the said persons is cancelled because of causes other than those mentioned in Article VI, the Iranian Government will deal fairly with him.

Article VIII. For each American Director, an Iranian deputy director will be appointed and the Ministry of Finance is authorized to give each such deputy director a suitable rank and salary. The American officials will give to educated and experienced Iranians the fullest opportunity for employment and advancement.

Article IX. Other employment conditions of the said persons shall be in accordance with the provisions of the Law approved on 23 Aghrab, 1301.

This Law which consists of 9 Articles passed by the Majless on the session of 1 Aban, 1322.

President of the Majless

H. ESFANDIARY

891.51A/905d : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, November 24, 1943—1 p. m.

587. The Department is gratified at outcome of Millspaugh's action in submitting resignation and believes way is open to provide him with personnel needed.

However, we have been disturbed by circumstantial reports of dissatisfaction among members of Mission. We think it advisable for you to talk to Millspaugh and try to persuade him of necessity of modifying his methods to conform to needs of large Mission. We believe he should take all his principal executives into fullest confidence and invariably seek their advice before issuing regulations they will be responsible for executing. Frequent staff meetings with frank discussion of his plans would also help in bringing about a spirit of cohesion which has been sadly lacking.

We will impress upon men being selected that they are subordinate to Millspaugh, but we feel that Millspaugh will be the gainer by treating them as men whose opinions are entitled to great respect, by consulting with them orally, and by refraining from issuing critical or irritating, written orders such as those forbidding men to talk to certain officials and requiring them to use only English.

These suggestions are drawn from a series of comments we have received since last spring. We discussed problem with Robinson, who said you had talked with Millspaugh along these lines, but we think it might have salutary effect if Millspaugh is also told of Department's deep concern. Knowledge of this matter is fairly widespread among executives of type we are seeking for Mission and impeded our efforts to obtain some of them.

You may at same time express to Millspaugh our sincere appreciation of his high character and other excellent qualities of which we are fully cognizant.

We trust your discretion in handling matter. Improvement is necessary if best men are to be retained and Mission is to accomplish all that we and the Iranians hope.

HULL

891.20/255 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 28, 1943—11 a. m.

[Received December 4—11:52 a. m.⁷⁰]

1071. Agreement covering engagement of American Military Mission to reorganize Iranian *Gendarmerie* signed by myself and Foreign

⁷⁰ Telegram apparently delayed in transmission.

Minister yesterday.⁷² Notes will now be exchanged fixing compensation to be paid by the Iranian Government.⁷³

DREYFUS

891.20/255a : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, December 1, 1943—7 p. m.

610. A note was received from the Iranian Minister recently stating that the Government of Iran desired the increase up to 30 of the number of officers assigned to the Military Mission of Major General Ridley. A copy was sent to the War Department which stated in reply that no increase would be considered except upon the recommendation of General Ridley, and then only in relation to the needs of Iran as compared with the needs for officers in other theaters. The Iranian Minister was informed of this reply but subsequently, on November 15, asked the Under Secretary for support of the Iranian request.

On November 16 the British Embassy informed us that the Iranian Prime Minister had asked the British Minister in Tehran for British support of the Iranian request for an increase in the size of the Military Mission. The British Minister expressed the view that the increase would be most desirable, and the British Military Attaché, holding similar views, thought that a minimum of 25 American officers would be required to whip the Iranian Army into shape.

We suggest that you discuss this question with General Ridley and let us have your views.

HULL

891.20/256 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, December 10, 1943—3 p. m.

[Received December 11—6:23 a. m.]

1105. I have discussed with General Ridley question of increasing his Mission to 30 officers (Department's 610, December 1). General stated Iranians had been pressing him on this point for some time but that he was about to inform United States War Department that he did not wish to embarrass it at this time by requesting such a

⁷² Department of State Executive Agreement Series No. 361; 57 Stat. (pt. 2) 1262.

⁷³ This was done in notes of December 2, 1943, and January 16, 1944; copies were transmitted to the Department in the Minister's despatch No. 804, January 19, 1944. Compensation for the Chief of Mission was set at \$4,207 per annum; for the Assistant Chief, \$3,907; for all other commissioned officers, \$3,757; for enlisted men, \$2,705.

large number of officers. He added, however, that he would soon require five additional quartermaster officers and one engineer. As Department is aware I consider Ridley an efficient officer performing his duties in a workmanlike manner and his recommendations on this subject have therefore my full support.

As regards suggestions of British Minister and Military Attaché, Ridley states he considers his mission is to reform supply and similar services of Iran Army and thus lay a foundation for an efficient organization and not to whip it into shape as a fighting force.

DREYFUS

FINANCIAL ASSISTANCE BY THE UNITED STATES TO IRAN

891.51/554

*Memorandum of Conversation, by the Assistant Chief of the
Financial Division (Luthringer)*

[WASHINGTON,] February 3, 1943.

Participants: The Iranian Minister, Mohammed Shayesteh
The Iranian Commercial Attaché, Hosein [*Mohamed*]
Nemazee
Treasury Department, Mr. Harry White
Mr. E. M. Bernstein
NE,⁷⁴ Mr. Jernegan
FD,⁷⁵ Mr. Luthringer

I

The Iranian Minister having been so authorized by his Government had arranged through the Department to meet with Mr. White to discuss a financial agreement between the United States and Iran along the lines of the Anglo-Iranian Financial Agreement of May 26, 1942.⁷⁶

Mr. White opened the proceedings by saying that as he recalled when he had last spoken with the Iranian Minister and Mr. Saleh⁷⁷ there had been some discussion of the difficulties which Iran faced because of that country's large sterling holdings. Mr. White then went on to ask just what the Iranian Government had in mind to discuss. The Iranian Minister then launched forth on a long discussion of the unsatisfactory consequences from the point of view of both the British and of Iran of an exchange rate as high as 132 rials to the pound. So far as could be told from his presentation, which

⁷⁴ Division of Near Eastern Affairs.

⁷⁵ Financial Division.

⁷⁶ For previous correspondence regarding this subject, see *Foreign Relations*, 1942, vol. iv, pp. 300 ff.

⁷⁷ Allah Yar Saleh, Head of the Iranian Economic Mission to the United States and Minister of Finance.

was far from lucid, his thesis seemed to be that the existing exchange rate was the fundamental cause of the inflation taking place in Iran and was not only unsettling general economic conditions in that country but was also increasing the cost of operations to the British and to ourselves. The Iranian Minister hastened to add, however, that he was not authorized by his Government to discuss the exchange rate. Mr. Nemazee then interjected some remarks to the effect that, of course, the sterling and dollar rates against the rial would presumably have to be kept in line and reiterated the Minister's statement that they were not authorized to discuss the exchange rate.

As we did not seem to be getting anywhere Mr. White asked Mr. Luthringer what the State Department's understanding was. Mr. Luthringer replied that it was his understanding that there was a prospect that this Government or its agencies would soon be in need of acquiring substantial amounts of rials. Mr. Luthringer mentioned that the British needs for rials have been very large and have caused a material expansion in the Iranian monetary circulation. Iranian monetary laws require that the reserve against notes should be in the form of gold or currencies of a guaranteed gold value. The Iranian Minister of Finance had discussed this situation with Mr. Dreyfus⁷⁸ at Tehran and had suggested that we explore possibilities of reaching a financial agreement with Iran similar to the Anglo-Iranian Financial Agreement which would assure us of getting the rials we needed and at the same time might provide the Iranian Government with a medium suitable for reserves within the provisions of the Iranian legislation.

The Iranian Minister agreed with this statement but both he and his colleague said that there were some things about the British agreement which they did not like and they would not want an agreement exactly like their agreement with the British. They agreed that the objective of the two agreements would be the same, namely to assure that we would be able to get the rials which we needed just as the Anglo-Iranian Agreement assured the British that they could obtain the rials which they needed.

There was then some consideration of the Anglo-Iranian Agreement particularly those sections restricting the British liability to convert sterling into dollars to pay for Iranian purchases from the United States and the provisions relating to the conversion of sterling into gold.

The Iranian Minister asked whether Treasury had already drafted anything. Mr. White replied that they had not but would be glad to undertake to formulate a proposal to discuss with the present group in the very near future. The Iranian Minister said that the Treasury

⁷⁸ Louis G. Dreyfus, Jr., the American Minister in Iran.

should feel free to call on Mr. Nemazee at any time for specific information. (It may be noted that Mr. Nemazee not only speaks English fluently but obviously has a keen understanding of the technical financial matters.) It was agreed that Mr. White would inform the Iranian Minister when we were ready to pursue the discussions further.

II

After the Iranian Minister and his colleague departed Mr. White requested Mr. Jernegan and Mr. Luthringer to discuss the matter a little further with him. Mr. White said that he thought it would be very easy to draft an agreement which should be satisfactory to the Iranian Government and asked whether he should proceed to do so as expeditiously as possible. Mr. Jernegan and Mr. Luthringer said they thought it would be advisable to proceed promptly. Mr. White then went on to say that he would be ashamed to sign an agreement which gave the Iranians as little as the British Financial Agreement gave them and that what would cost us very little would mean a great deal to the Iranians. He pointed out that the ordinary facilities which we extended to friendly countries to earmark gold would give the Iranians far more favorable treatment than the British "concessions" in their financial agreement with Iran.

There was then general discussion of keeping the British informed of what we proposed to do. Mr. White was very anxious to avoid any appearance of our asking the British for permission to make any sort of agreement that we wanted. Mr. Luthringer asked whether he wished the Department to inform the British of our intentions and the probable nature of the agreement or whether Treasury wished to do so. Mr. White said that ordinarily he thought the State Department would be the best agency for informing the British but that he thought that it might be handled more easily if it were handled as a Treasury matter. Mr. Luthringer said that he thought that a very natural way to handle it would be for Mr. White to take the matter up orally with Sir Frederick Phillips.⁷⁹ Mr. White said that as soon as Treasury had formulated the main provisions of the proposed agreement he would inform Sir Frederick before communicating with the Iranian Minister and if Sir Frederick requested it would hold off for several days before meeting again with the Iranian Minister until Sir Frederick should have had an opportunity to communicate with London. Mr. White also said that he would communicate to Sir Frederick an actual draft of the agreement when the negotiations should have proceeded to that point. It was agreed that we could hardly be precluded from giving the Iranian Government as favorable treatment as we did other friendly governments merely because such

⁷⁹ British Treasury representative in Washington.

treatment was more favorable than the British were either prepared to give or in a position to give.

891.5151/247

*Memorandum by the Director of Monetary Research, Treasury Department (White), to the Under Secretary of the Treasury (Bell)*⁸⁰

[WASHINGTON,] February 4, 1943.

Subject: Proposed Stabilization Agreement with Iran

The Government of Iran now has an agreement with the British Government to provide such Iranian rials as the British Government needs for military and other purposes in Iran. The Iranian Government is prepared to conclude an agreement with us to provide Iranian rials for the needs of the United States. We have been informed by the War Department that there will be a considerable need for rials in the future although the precise amount is still undetermined. The Iranian Minister has received instructions from his Government to conclude an agreement with the Secretary of the Treasury for the provision of such rials.

A proposed agreement between the Secretary of the Treasury and Iran might include the following provisions:

(1) Iran would undertake to furnish rials for dollars to meet the needs of the United States at the rate of exchange in effect at the time of each such purchase of rials.

(2) The Secretary would undertake to sell gold for dollars in accordance with the provisions of the Gold Reserve Act⁸¹ and at the price of gold that is in effect at the time of each such sale of gold.

(3) The gold acquired by Iran would be earmarked in New York for the account of Iran without further cost to Iran except for actual costs incurred.

(4) The gold held on earmark for Iran could be exported subject to Treasury regulations in effect at the time of each proposed export of gold.

(5) Iran would undertake to sell us gold for rials acquired from Iran at a price based upon the rate of exchange in effect and the Treasury price of gold in New York.

(6) No change in the dollar-Iranian rial rate of exchange would be undertaken without giving an opportunity for prior consultation. From time to time the Secretary of the Treasury and the Iranian Government would name representatives to discuss the economic problems connected with maintaining stability of the dollar-Iranian rial rate of exchange.

(7) The agreement would terminate on June 30, 1943, subject to earlier termination by either party without prejudice to the rights of the other for transactions previously undertaken.

⁸⁰ Copy forwarded on February 9 by E. M. Bernstein, Treasury Department, to the Assistant Chief of the Division of Financial Affairs (Luthringer).

⁸¹ Approved January 30, 1934; 48 Stat. 337.

891.51/560

Memorandum of Conversation, by the Assistant Chief of the Financial Division (Luthringer)

[WASHINGTON,] February 12, 1943.

Subject: Proposed Stabilization Agreement with Iran

Participants: The Iranian Minister, Mohammed Schayesteh
The Iranian Commercial Attaché, Mr. Nemazee
Treasury Department, Mr. E. M. Bernstein
Mr. Luxford
Mr. Gunter

NE, Mr. Jernegan
FD, Mr. Luthringer

The conference was arranged on the initiative of the Treasury Department to discuss the attached outline⁸² of suggested provisions for inclusion in the agreement. Mr. White who had been taken ill earlier in the day was unable to attend.

Mr. Bernstein who acted as Treasury spokesman explained to the Iranian Minister that the outline served merely as a basis for discussion and was to be regarded as highly tentative. We were particularly anxious to get their reaction to the proposal.

After Mr. Bernstein had gone through the list of topics and explained each in detail the Iranian Minister suggested that in point (1) the phraseology should be altered to read "to meet the needs of the United States in Iran", the apparent idea being that we were not to acquire rials under the agreement for sale to other countries for general purposes. The Iranian Minister and Mr. Nemazee also felt that it would be desirable for the Treasury to amend point no. (5) so that Iran would undertake to sell us dollars or gold for rials the United States had acquired under the agreement, rather than undertaking to sell us only gold. This request was explained largely on the ground that it would be more difficult to get gold released from the official reserves than to use dollar balances that might be available.

The Iranian Minister and Mr. Nemazee inquired with particular care as to restrictions on their right to transfer earmarked gold and to export gold. It was explained to them that about the only actual restriction would be on transfers involving enemy interests or transfers to blocked countries. It was explained that these restrictions were essentially defense restrictions. At the same time it was pointed out that the right to export gold or transfer gold under earmark necessarily had to be conditioned by the legislation which Congress had passed. The Iranians were careful to say that they did not contem-

⁸² See *supra*.

plate exporting gold that they might acquire but merely wished to be able to explain the matter clearly to their Government.

The Iranian Minister appeared to be well satisfied with the Treasury proposals. He remarked that the agreement was gratifying in that both parties undertook obligations to help the other and that it was a truly "bilateral" agreement in this sense. In the course of the discussions it had been pointed out that this was the same type of agreement that we would make with any country large or small. Apparently with respect to this the Minister remarked that one of the reasons for this country's strength and greatness was its policy of treating all on equal terms.

The Minister suggested and Treasury agreed to prepare an actual draft agreement on the basis of the outline.

NOTE: Prior to the meeting at Mr. Jernegan's request I had told Mr. Bernstein that our Near Eastern Division had raised the question as to the advisability of making the agreement terminable by either party since the British experience with Iran had indicated that the Iranians might decide to terminate the agreement the first time our needs for rials were large and pressing. I had told Mr. Bernstein that I realized this was a standard provision in stabilization agreements but pointed out that unlike other stabilization agreements the initiative with respect to the purchase of the foreign currency rested with the Secretary of the Treasury and not with the foreign party. Mr. Bernstein nevertheless felt obligated to take up the outline as it stood since he had received specific instructions from Mr. White to do so. After the Iranian Minister and his colleague had left the conference, however, Mr. Bernstein said that Treasury would be glad to consider omitting this provision from the text to be drafted. He said that he appreciated this Department's point of view but did not know how Secretary Morgenthau⁸³ would react if this provision were omitted. He said that it was not so much a matter of law as of Treasury's policy. The Treasury was particularly anxious to be in a position to adjust its policy promptly to any change in Congressional policy.

891.24/379: Telegram

The Chargé in Iran (Schnare) to the Secretary of State

TEHRAN, February 12, 1943—3 p. m.
[Received February 14—2:35 a. m.]

165. My 445, December 16.⁸⁴ British Legation has obtained approval of British Treasury to a plan by which gold would be made

⁸³ Henry Morgenthau, Jr., Secretary of the Treasury.

⁸⁴ Not printed.

available for circulation in Iran in hopes of bringing down price of gold and hence of commodities and of counteracting inflation. Plan contemplates importation into Iran of British gold bars to be exchanged for gold coins held by Bank Mellie⁸⁵ and forming part of cover for rial. Coins would then be placed in circulation leaving Iran's gold cover unchanged. Iranian press, Majlis and people are protesting violently against the plan alleging that British have ulterior motives harmful to Iran. As result of these protests bill was introduced yesterday in Majlis which would prevent plan being carried out. British are indignant at this Iranian reaction to what they had intended a helpful gesture.

Millspaugh⁸⁶ is studying desirability and possible effects on Iranian finance and economy of any such scheme of circulating gold coins or small bars. Meantime, Department is requested to indicate whether American Government would be willing to make gold coins or very small bars available for this purpose. While British have not requested American assistance in this regard it is thought American help might offer solution for political impasse which has arisen. Also British are said to have no coins or small size bars available for use in case Iranians refuse to release coins now in Bank Mellie.

SCHNARE

891.51/556 : Telegram

The Chargé in Iran (Schnare) to the Secretary of State

TEHRAN, February 12, 1943—4 p. m.

[Received February 13—2:31 a. m.]

166. I am informed by British Legation that conversations have reached advanced stage in Washington concerning the proposed American-Iranian financial agreement. British Legation has received résumé of alleged terms and take the stand that the American agreement should not for obvious reasons offer more favorable conditions than those contained in the Iranian-British accord. I should appreciate receiving a draft of the agreement at as early a date as possible in order that terms may be studied in consultation with British and Millspaugh.

SCHNARE

⁸⁵ The Banque Mellie Iran (the National Bank of Iran).

⁸⁶ Arthur C. Millspaugh, American Administrator General of Finances in the Iranian Government; for correspondence on the Millspaugh Mission, see pp. 510 ff.

891.51/556 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, February 16, 1943—9 p. m.

84. Your 166, February 12. Treasury Department has held two preliminary conversations with Iranian Minister and has proposed an agreement including the following main points:

1. Iran would undertake to furnish rials for dollars to meet the needs of the United States in Iran at the rate of exchange in effect at the time of each such purchase of rials.

2. The United States Treasury would undertake to sell to Iran gold for dollars in accordance with the provisions of the Gold Reserve Act and at the price of gold that is in effect at the time of each such sale of gold.

3. Gold acquired by Iran would be earmarked in New York for the account of Iran.

4. Gold held on earmark for Iran could be exported subject to Treasury regulations in effect at the time of each proposed export.

5. Iran would undertake to sell us gold for rials acquired from Iran at a price based upon the rate of exchange in effect and the Treasury price of gold in New York.

6. No change would be made in the dollar-rial rate of exchange without giving an opportunity for prior consultation. From time to time the Treasury and the Iranian Government would discuss the economic problems connected with maintaining stability of the dollar-rial rate.

7. Agreement would terminate June 30, 1943, subject to earlier termination by either party without prejudice to the rights of the other for transactions previously undertaken.

(Provision for termination June 30, 1943 is made necessary by expiration of legislation authorizing stabilization agreements of this kind. However, renewal of legislation is expected and agreement could be renewed by exchange of notes on July 1. Department has requested Treasury to eliminate provision for earlier termination by either party, but it has not yet been determined whether Treasury policy will permit this change.)

The foregoing provisions are similar to those of numerous stabilization agreements previously made by this Government. They represent the terms which we would offer to any nation, large or small.

Treasury has informed British Embassy here of general nature of agreement we are proposing and has explained that we cannot discriminate against Iran by offering less favorable terms than those which we have offered to other nations. Embassy has expressed its understanding of this point of view.

At the request of the Iranian Minister, the Treasury is preparing a draft agreement, based on the above outline, which it is expected to

submit for consideration in the near future.⁸⁷ Because of the legal and financial policy questions involved, the Treasury wishes to conduct all negotiations in Washington. It is assumed that Iranian Minister is keeping his Government fully informed and that Mills-paugh will have an opportunity to study draft before it is approved by Iranian Government.

HULL

891.51/558 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, February 24, 1943—4 p. m.
[Received February 25—4:07 a. m.]

207. Following is an urgent request of the Iranian Government which believes transmission through State Department is only method which would insure a reply by March 3. Department's attention and reply will be appreciated.

In order to provide reserve for urgent note issue, Bank Mellie Iran as Central Bank desires to obtain confirmation that upon opening account with Federal Reserve Bank of New York \$8,000,000 of present Iranian dollar balances would be convertible into gold, under provisional regulations issued under Gold Reserve Act 1934. This has no relation to negotiations being conducted by Iranian Minister in Washington regarding financial agreement. Bank Mellie Iran would appreciate reply before March 3.

DREYFUS

891.51/558 : Telegram

The Acting Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, February 27, 1943—10 p. m.

103. Your 207, February 24, 4 p. m. The Department is informed by Treasury Department that Secretary of Treasury is prepared to authorize for monetary reserve purposes the sale to Bank Mellie Iran of \$8 million gold against present Iranian dollar balances, the gold so sold to be earmarked at Federal Reserve Bank, New York in the name of Bank Mellie Iran.

BERLE

⁸⁷ The draft financial agreement was transmitted to the Minister in Iran in instruction No. 198, March 5 (not printed). A provision that the agreement might be terminated by either party at any time was omitted from this draft.

891.51/559: Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, March 1, 1943—2 a. m.

[Received 10:43 p. m.]

223. Department's 84, February 16. Millspaugh expresses opinion that Majlis may refuse to ratify two British-Iranian financial agreements because the proposed agreement with United States offers Iran more favorable terms with regard to (1) gold conversion and (2) a variable exchange rate. Ratification of financial agreement of May 26, 1942, and supplementary accord of January 25, 1943, is now being considered in Majlis. On other hand it should be pointed out that proposed financial accord with Soviet Union offers even less favorable than that with British.

British Legation is telegraphing Foreign Office suggesting that three courses appear to be open: 1, To adhere to present position of refusing to deliver gold until agreements are ratified. This might lead to deadlock since currency commission takes position that no more notes will be issued pending delivery of gold. 2, To deliver gold at once and allow ratification to lapse. It seems unlikely Iranians will refuse to deliver rials against sterling. 3, To permit situation to develop and be prepared to concede if necessary on two points of 100 percent gold conversion and variable exchange rate. British Legation prefers alternative 2 but is requesting Foreign Office views.

DREYFUS

891.24/392: Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, March 1, 1943—9 a. m.

[Received March 2—3 a. m.]

221. My 165, February 12. Millspaugh has addressed letter to me in which he urges I recommend to American Government sale of gold instead of dollar exchange to obtain rials for American war expenditures in Iran. He urges use of gold at least up to extent that it can be sold in open market against issued rial currency and believes procedure would have following results of benefit to Iran and United States:

(1) It would relieve pressure for additional increases in note issue and this would aid in preventing further decline in purchasing power of rial. At present, in spite of fixed exchange rate, local purchasing power of dollar is declining with resultant need for ever larger dollar expenditures. Also constant rise in prices is catastrophic for Iranians.

(2) American Government would make huge saving by obtaining rials at present gold rate of 81 rials per dollar instead of paper rate of 32 rials.

Millspaugh states Iranian Government also proposes to sell its own stocks of silver in free market and to sell dollars and sterling freely. Gold if imported should be in coins or small bars. It would be sold through authorized banks. Possibility of coining bar gold into Iranian coins is being considered. Minister of Finance concurs in above proposals.

Millspaugh addressed similar letter with regard to British sterling expenditures to British Minister⁸⁸ who is cabling London.

British Legation makes following comments:

(1) It is doubtful if British can recede from position that local expenditures must be financed by sales of sterling at controlled rate of exchange; (2) implications of proposal with regard to neighboring countries must be considered; (3) British Legation would prefer that procedure if adopted be considered a direct anti-inflation measure and in no way connected with Allied operation of obtaining rials for war expenditures; (4) gold sales would have beneficial effect only up to point at which public hoarding appetite is satisfied; (5) proposal is an experiment which would have to be carefully controlled and watched as it progressed.

Department's comments and instructions will be appreciated.

DREYFUS

891.51/562: Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, March 11, 1943—2 p. m.

[Received 8:41 p. m.]

285. Another currency crisis has been narrowly avoided by two factors. First, arrival by air from England of 250,000,000 rials of new currency local supply said to be exhausted and second, British approval of the second alternative given in my telegram 223, March 1st, which will permit immediate delivery of British gold to Iran Government and the issue without delay of new currency against sales of sterling.

DREYFUS

⁸⁸ Sir Reader Bullard.

891.515/93 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, March 12, 1943—10 a. m.

[Received 11:10 a. m.]

260. My 221, March 1. British Legation has recommended to Treasury sale of gold in Iran under following conditions.

1. Sale in open market through authorized banks in Tehran and provinces at rate not to exceed 100,000 sovereigns monthly until further notice. Bank commission one rial per mille.

2. Minimum price set at 12 pounds an ounce equal to 367 rials per sovereign (present Tehran bazaar price is 660).

3. Minimum price and monthly quantity to be reconsidered in light of experience.

4. Gold sufficient for 3 months should be shipped to Tehran at once from South Africa.

5. 100,000 sovereigns will be obtained by exchange of British bullion for gold coins held by Banque Mellie (bill permitting transfer has been passed by Majlis, see my 165 February 12). Minting of gold coins here being investigated. Small bars might be obtained in India in exchange for bullion. United States Government might be requested to supply gold coins in exchange for bullion in South Africa.

6. If United States Government also decides to sell gold United States and British sales should be coordinated. British alone might sell during first few months leaving United States to sell later if demand rises above British capacity to provide.

7. Gold should also be sold in Palestine, Syria and Iraq as deflationary measure in those countries and also to minimize arbitrage by smuggling of gold from Iran.

End of British proposal.

I support Millspaugh's recommendation that gold be sold in open market as one means of combatting inflation. If Department approves program should be initiated at once. Gold for purpose should be in coins or small bars. Absorptive capacity of this market for gold is unknown and British program is admittedly based on guess work. We should therefore be prepared to supply large quantities if necessary.

DREYFUS

891.51/93 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, March 23, 1943—10 p. m.

141. Your 165 February 12, 221 March 1 and 260 March 12. Without passing upon the desirability of a policy of circulating gold coin or bars in Iran the Treasury provided the following information in

reply to inquiries in your 165: gold coins are not available in adequate quantities for circulation in Iran; small bars are available or can be made in sizes 10 to 30 troy ounces with standard bar of this type 25 ounces; bars carry United States Mint mark, gross weight and fineness; price of gold for such bars \$35 a fine ounce plus one quarter percent and 4 cents per hundred dollars additional; actual costs of handling gold for export are extra; purchase and export would require a license under provisional regulations of the Gold Reserve Act.

Department presumes that copies of draft financial agreement summarized in Department's 311 [84?], February 16, 9 p. m. have reached or will soon reach Tehran⁸⁹ and that any proposals which Iran may wish to submit with regard to exportation of gold from the United States will be considered by Millspaugh in relation thereto.

HULL

891.515/95 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 1, 1943—9 a. m.

[Received 12:22 p. m.]

334. Department's 141, March 23. Millspaugh now proposes to sell gold in small bars in open market for account of Iranian Government with contemplated initial operation of \$500,000. He desires to have following information: (1) Will United States Government grant export license for shipment of gold to Iran; (2) can shipment by air be arranged without delay. American Army authorities here indicate they will recommend high air priority for these shipments; and (3) cost of freight, war risk insurance and any other expenses.

In lieu of shipment from United States would it not be possible to deliver to Iran Government gold which may now be en route to United States from Russia via Iran on Lend-Lease account in exchange for Iranian dollar holdings in United States.

DREYFUS

891.515/95 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, April 13, 1943—10 p. m.

180. Your 334, April 1, 9 a. m. While remarking that the question of selling gold in the open market in Iran as an anti-inflationary measure should be carefully considered, the Treasury without passing upon the merits of the proposed measure states that it is prepared to consider an application from the Iranian Government to buy and export gold from the United States to Iran; application should be

⁸⁹ See footnote 87, p. 569.

filed through the Federal Reserve Bank of New York on behalf of Iranian Government and should specify type of gold bar wanted.

Information on all shipping costs is being obtained and will be telegraphed shortly. Treasury says there is no present opportunity for a switch with Russian or other gold, nor would gold ordinarily coming to this country be in the form of small bars. Competent authorities inform Department that shipment by air could probably be taken care of in a reasonable time.

Your 260, March 12, 10 a. m.

What development has there been on British Legation's proposal?

HULL

891.515/97: Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 17, 1943—5 p. m.

[Received 11:32 p. m.]

394. Millspaugh has been informed concerning desired method of filing application for gold bars and requested to specify type desired.

British Legation reports that so far as it knows its proposal is awaiting approval by Washington. There is no change in the matter.

DREYFUS

891.515/95: Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, April 19, 1943—5 p. m.

189. Your 334, April 1. Shipping costs of \$500,000 in small gold bars from the United States to Iran by air would be approximately as follows:

1. Packing and trucking \$50.
2. Insurance 4 percent ad valorem, expenses may be included in value.
3. Freight costs cannot be estimated until transport priority and route are determined.

HULL

891.51/563: Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 26, 1943—4 p. m.

[Received April 27—12:12 p. m.]

429. Millspaugh has written me important letter giving reasons for Iran's financial ills and suggesting certain remedies. Copy sent Department by air.⁹⁰

⁹⁰ Despatch No. 540, April 29, not printed.

Iran's financial position is dangerous. Government borrowed 1 billion rials from Banque Mellie last year and now owes that bank 3 billions. Millspaugh wishes to keep this year's borrowings down to half billion but in view of heavy commitments, reduced Government income and inflated prices he believes he will have to find an amount of 1 billion in addition to half billion from Banque Mellie. He suggests that only way out of present difficulty is to seek an American or joint British-American loan of at least 1 billion rials perhaps guaranteed by oil royalties, extending to 1 year beyond end of war and possibly made contingent on maintenance of an American financial mission to Iran. He realizes loan would be inflationary but considers it less dangerous than other alternatives. He asks Allied Governments to assist Iran by (1) reducing Allied expenditures in Iran (2) bringing in gold and silver for purchase of rials (3) permitting more goods to be exported to Iran (4) paying Iranian taxes where not specifically exempt (5) refusing to pay wages above the Iranian scale (6) not employing Iranians now in Government service (7) assisting to prevent export of goods from Iran (8) revising contracts such as Soviet arms contract which place financial burden on Iran Government and (9) permitting Iranians to postpone payments on certain obligations such as payments for Lend Lease trucks.

For his part Millspaugh is endeavoring to correct situation by reducing budget and refusing to make payments except for absolute essentials. He proposes to take such steps as controls of prices, treasury bond issue, income tax increases, sale of Government property, sale of diamonds, gold and silver and restriction of bank credit. He feels his Mission has already had following positive results (1) given some strength to Government (2) made progress in reorganizing financial administration (3) established control over expenditures and (4) formulated comprehensive plan for dealing with financial and economic situation. Aside from financial situation he takes pessimistic view that collapse of organized government is distinct possibility because of lack of effective leadership and demoralization and corruption of Government employees due partly to 7-fold increase of cost of living in 7 years which has made current wage scale insufficient for even minimum subsistence. *End résumé.*

Department's comments on question of possible loan would be appreciated.

DREYFUS

891.515/98 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 27, 1943—11 a. m.

[Received April 27—9 : 53 a. m.]

433. Substance of Department's 189, April 19, 5 p. m., was communicated to Millspaugh. Banque Mellie applied to Federal Reserve Bank of New York through Irving Trust Company for permit to export \$500,000 worth of gold which has just been approved.

DREYFUS

891.51/564 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, May 10, 1943—4 p. m.

[Received May 10—3 : 17 p. m.]

484. My 429, April 26. Millspaugh requested I reiterate to Department the absolute necessity of obtaining a dollar credit of \$30,000,000 if Iranian Government is to be saved from complete financial collapse. He does not disguise fact that the credit would have inflationary effect nor deny possibility of recurrence of similar crisis next year. However, it would buy a year's time, strengthen Government, make it possible to collect revenues and give the stability necessary to carry in Government the price stabilization and other plans. He finds that the many pressing obligations of the Government will not, as he had hoped, permit reduction of this year's deficit. In addition he feels that unless Government salaries are increased a general strike and disorder may eventuate.

He states that an important factor in the financial crisis is the unwillingness of Russians to postpone their financial demands or place them on reasonable basis. As example Russians are demanding 32,000,000 rials as part payment for the 25,000 tons wheat (my 382, April 13)⁹¹ although wheat has not been delivered and despite fact they themselves owe Iran Government some 60,000,000 rials for grain they purchased in Azerbaijan. British are pressing him for payment of about 554,000 pounds for grain purchased. He believes that alternative to granting of this credit would be financial collapse and eventual withdrawal of his Mission.

DREYFUS

⁹¹ *Post*, p. 614.

891.51/566 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, June 2, 1943—10 a. m.

[Received 10:58 a. m.]

573. Millspaugh suggests that if the credit requested is approved it be made conditional on approval of his taxation proposals now pending in the Majlis. This support would probably ensure their passage as well as provide greater security for the credit. This telegram is in reference to my 484, May 10.

DREYFUS

891.51A/597 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, June 4, 1943—noon.

272. Your despatch 540, April 29.⁹² We are in consultation with other interested agencies regarding loan suggested by Millspaugh but cannot yet say whether such a loan would be practicable or advisable. Department would like to have precise reasons for Millspaugh's belief that it will be impracticable to borrow from Banque Mellie Iran the full amount required to cover budget deficit. It is assumed that it is regarded as necessary for psychological reasons to use the proceeds of a dollar loan as backing for the issuance of one billion rials additional and that the problem is not one of the physical availability of rial currency. If necessary, could not legislation be enacted to permit the Government to obtain the needed rials by loan from the Bank?

In the event it should be found desirable and possible to make a dollar loan, do you not feel that it would be wiser politically to suggest that it be made jointly by the American, Soviet and British Governments? Department has in mind reported Russian suspicions regarding ultimate American designs on Iran which conceivably might be aroused by a straight American loan. Have you discussed Millspaugh's various proposals with British or Soviet representatives?

As of possible assistance to Iranian Government in the immediate financial crisis, we believe the following may be considered:

A) The Iranian Government should be able to raise a substantial portion of the required local currency by selling gold for rials on its own account.

B) Provided you see no objection, we will recommend to Lend-Lease that articles already furnished or to be furnished Iran on a cash-reimbursable basis be paid for in the form of rial credits with Iranian Treasury or Banque Mellie which would be held at disposal of United States for later use. Department would also be willing to

⁹² Not printed, but see telegram No. 429, April 26, 4 p. m., p. 574.

consider asking Soviet and British Governments to postpone or waive their demands for payment for supplies, such as grain, delivered or to be delivered to Government of Iran. We should like to have figures on amounts owed by Iran to Soviets and British and amount of any debts owed Iran by British or Soviets.

HULL

891.51/568 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, June 11, 1943—2 p. m.

[Received June 12—4:20 a. m.]

608. There follows summary of letter of June 8 from Millspaugh answering points raised in Department's 272, June 4. Full text being sent by air.⁹³

Begin summary.

1. Need for loan is urgent and amount requested conservative. Unless loan granted irreparable harm may be done and collapse of Government might result. Without loan Government will be unable to finance essential operations, maintain security, purchase essential goods, maintain Government income and continue operation of factories and mines.

2. Iranian Government is willing to pledge any of its revenues as security for loan. Lending governments may also fix other conditions such as passage of income tax law or employment of American advisers. Any financial relief obtained from internal sources through increased revenues, internal loan, sale of gold, et cetera will be taken into consideration in use or repayment of loan.

3. Straight American loan would be preferable but joint Anglo-American loan would be acceptable. Discussion of Soviet participation would be waste of time.

4. Deficit for current year will be at least billion and half rials. This cannot be covered fully by Banque Mellie loan. Government now owes bank 3,750,000,000 rials. Rial currency to supply further Government borrowing is physically unavailable unless notes are printed without metallic backing or unless loan is obtained against which notes can be issued. Act of November 19, 1942 requires 100 percent cover for rial notes (60 gold and 40 dollars and/or pounds). Since passage of this act bank's lending power to Government is limited to its own resources. Loan is not desired for psychological reasons but because of physical impossibility of borrowing from bank.

5. Silver and diamonds are being sold in open market. Gold is being brought in by Iranian Government and by British for sale. While in theory this will produce sufficient rials, in practice it will not since sales will be slow and because absorptive capacity of market is not known. Gold sales are expected to have important anti-inflationary effect but will not increase bank's lending power to Government.

⁹³ Despatch No. 533, June 12, not printed.

6. Iranian Government is grateful for offer to postpone payment for Lease-Lend goods but relief offered will not change total picture appreciably.

7. Complete and accurate statement of amounts owed by and to British and Soviets is impossible because of disorganized and confused state in which Iranian accounts were found. Amounts due by Soviets and British have been taken into consideration and so have no relevancy to general problem except that if any remain unpaid the situation will be worse than has been calculated. They will be subject to claims and counter-claims and in all probability payment will be long delayed.

Principal items in British-Iranian accounts concern Iranian claims for customs duties and road taxes and possibly forest taxes for trees cut.

According to best information available main items owed by Soviets to Iranians are: (a) 46 million rials for food purchased (b) 80 million rials to Iranian railway for work performed (c) 50 million rials for customs duties (d) undetermined but large amount for freight and passenger charges on railway (e) a not fully verified Iranian claim for 57 million rials for advances to Soviet trade delegation (f) in addition Soviets will owe large sums for munitions and canned goods being produced for them in Iranian plants but these items are payable in goods and will be subject to claims and counterclaims.

Present policy of Soviets seems to be to require Iranians to finance them in what amounts to a kind of Lease-Lend arrangement. Iranian Government has to be at full cost of road maintenance in north and much of railway maintenance although Soviets fail to pay transport charges due Iranian Government. Soviets require Iranians to finance plants producing munitions for them. Under Soviet-Iranian financial agreement Iranian[s] must advance 83 million rials monthly to Soviets. *End of summary.*

8. I am in full agreement with Millspaugh as to necessity and urgency of this loan. British Minister concurs and will recommend participation by his Government. I have discussed question with Soviet Ambassador⁹⁴ who takes view that loan is not necessary since Iran can meet obligations from internal revenues. I am afraid his view is based on either lack of knowledge of Iran's financial situation or desire to prevent extension of Allied loan to Iran as matter of policy.

It would in my opinion be preferable from political viewpoint to arrange for a joint Anglo-American-Soviet loan. However since full consultation with Russians would cause undue delay I recommend that negotiations for extension of an Anglo-American loan be initiated forthwith, the Russians to participate if they so desire.

DREYFUS

⁹⁴ A. A. Smirnov.

891.51/570 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, June 25, 1943—6 p. m.
 [Received June 26—3:37 a. m.]

661. My 608, June 11. Millspaugh has written letter to Prime Minister calling attention to seriousness of Iran's financial situation and urging Majlis approval of income tax law, bill for issue of Treasury bonds and law approving contracts for six Americans for his Mission. Prime Minister⁹⁵ has promised to present letter Sunday to secret session of Majlis in hopes of breaking the Majlis attitude of intransigence and indolence which has prevented action on numerous important pending bills.⁹⁶

Millspaugh again urges overriding necessity of Allied loan but now states amount required is \$50,000,000 which will enable him to grant essential increases in Government salaries and make it unnecessary for him to turn to Allies later for a second loan. Current financial situation is desperate and deficit for present and next month will probably be more than \$10,000,000. He urges, therefore, that immediate advance of part of loan will be necessary if Government is to meet its obligations. In addition he is requesting Anglo-Iranian Oil Company to advance at once oil royalties of 4,000,000 pounds due during coming year. British Legation views Millspaugh's position sympathetically and I am sure will recommend that British grant loan alone if United States will not participate. Millspaugh states that for obvious reasons it would be better to have American or Anglo-American loan. Soviet Ambassador still holds unrealistic belief that Iran does not need a loan. British Minister and I are discussing question with him tomorrow.

DREYFUS

891.51/571 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, June 29, 1943—noon.
 [Received June 30—3:28 a. m.]

672. Soviet Ambassador departed yesterday for Moscow on leave. Despite explanations of British Minister and myself, he still maintained opinion that Iran is not in need of a loan. When he took leave of Prime Minister he said categorically that Iran does not require a loan because it has sufficient internal resources to meet its needs.

⁹⁵ Ali Soheily.⁹⁶ For correspondence relating to these matters, see pp. 510 ff., *passim*.

Ambassador's attitude is hard to understand. Since he is usually well-informed, his attitude must spring from one or a combination of the following (1) wish to prevent Iran from becoming financially obligated to foreign nation (2) desire purposely to encourage financial and political chaos in order to speed breakdown of present system of government by entrenched classes and hasten eventual socialization of country and (3) wish to obstruct action which might contribute to success of American adviser program. It is significant that the Ambassador postponed indefinitely two appointments to see Millspaugh.

Ambassador's attitude regarding this loan is apparently in continuance of Soviet desire to play lone hand in Iran and policy of holding aloof from other Allies in Iranian internal matters.

DREYFUS

891.51/573 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, July 3, 1943—5 a. m.

[Received 7:38 p. m.]

686. My 661, June 25 and 672, June 29. Prime Minister summoned me today to inform me that he is now of opinion that only a straight American loan would be acceptable to Iran. He referred to peculiar background of Iran's relations with her neighbors Russia and Britain and expressed the belief that a British loan would be unacceptable to people and Majlis and that a Russian loan would be "tenfold more unacceptable". After my conversation with Prime Minister I discussed this development frankly with British Minister who said that Millspaugh had expressed to him much the same opinion. The Minister stated that British had become interested in the loan only out of desire to be helpful in the present financial crisis and expedite granting of loan in view of urgency of situation. He added that he sees no objection to extension of straight American loan if the American Government will agree thereto.

Iranian attitude is quite understandable when one considers the suspicion with which Iranians have in recent years regarded both Russians and British. Since I am convinced that Iranian financial structure will not survive next few months unless a foreign loan is extended it is hoped Department may find immediately some formula for meeting Iranian wishes for straight American loan.

Shah ⁹⁷ in recent conversation with me expressed surprise that any but a strict American loan should be under consideration.

DREYFUS

⁹⁷ Mohammad Reza Shah Pahlavi.

891.51/577 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, July 10, 1943—11 p. m.

332. Your 661, June 25, 6 p. m. Department does not feel that it can urge loan by Export-Import Bank on basis of incomplete information which has been submitted so far. Please inform Millspaugh that the Department must have the following information in order to pass intelligently upon the request for a loan :

1. A detailed breakdown of revenues it is expected will be available to the Iranian Government for the fiscal year 1943-44 and the amount which can be borrowed from the local bank.

2. A detailed breakdown of expenditures which will be made by the Iranian Government. Millspaugh states that the deficit will be at least one and one-half billion rials. The Department wishes to know how much of this deficit represents repayment of floating or short term debt and how much results from current excess of expenditures over receipts. If a large portion of the expenditures resulting in the deficit represent repayment of floating or short term debt, the Department feels that there should be a possibility of funding a large portion of this debt internally.

3. A statement of the public debt showing amount external internal floating and short term and designating in each case currencies in which payable. In case of short term debt indicate amount maturing within each of next 2 years.

4. A specific statement of the period for which Millspaugh desires a loan, projected amortization and interest payments, exact security and such additional data as Millspaugh believes pertinent.

HULL

811.5151/282

Memorandum of Conversation, by Mr. W. Leonard Parker of the Division of Near Eastern Affairs

[WASHINGTON,] July 15, 1943.

Participants: Dr. Henry [Harry] White, Assistant to the Secretary of the Treasury.

Mr. Bernstein, Treasury Department.

Mr. Luxford, Treasury Department.

Mr. Glendinning, Treasury Department.

Mr. Murray, PA/M⁹⁸

Mr. Jernegan, NE

Mr. Parker, NE

At Dr. White's request Mr. Murray, accompanied by Mr. Jernegan and Mr. Parker, attended a meeting in Dr. White's office for the purpose of discussing this Government's financial policy in the Near East.

⁹⁸ Wallace Murray, Adviser on Political Relations.

[Here follows discussion of general financial policy for the Near and Middle East area as a whole, not printed; also section dealing with Saudi Arabia, printed on page 875.]

Dr. White then took up the question of the proposal to extend a \$50,000,000 loan to Iran. He said that first of all there are certain Iranian monetary laws about which we must know before we can proceed. It was agreed that this factual information can be obtained speedily from our Legation. Dr. White expressed the opinion that we can make a stabilization arrangement with the Iranian Government under which we would buy a given quantity of rials and receive a deposit in Iran instead of Iranian currency. He pointed out that Sir Frederick Phillips had indicated that the British are interested also in making a loan to Iran and probably would wish to participate. We could tell the British that, obviously, they could not participate in our stabilization arrangement. However, if the British should insist upon some form of participation we could make a stabilization arrangement covering, say, \$25,000,000 and the British could make an outright loan of the other \$25,000,000 if they continued to insist upon participating. Mr. Murray expressed satisfaction with Dr. White's suggestion that we deal with Iran independently with regard to financial matters and keep our transaction separate from the British transaction. He pointed out that we should not engage in combined Anglo-American operations with Iran if we expect to get results, in view of Iranian distrust of the British. It was also pointed out that a joint loan might involve us in complications if there should be any difficulty in collecting the loan. Dr. White said the Treasury will investigate the practicability of entering into a stabilization arrangement with Iran and that, if it can be done, we will tell the Iranians that we are willing to come to their assistance with a stabilization fund. If the British learn about it, we can tell the British that, since they cannot participate in a stabilization agreement between the United States and Iran, they can make an independent British loan.

[Here follows section on India.]

891.516/171 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, July 16, 1943—1 p. m.

[Received July 17—10:54 a. m.]

727. Department's 226, May 7.⁹⁹ Millspaugh and Director of Banque Mellie request Department to endeavor to arrange for the conversion into gold and shipment to Iran by air of one million dollars

⁹⁹ Not printed: it transmitted a message from the Federal Reserve Bank of New York to the Banque Mellie Iran (891.516/165a).

of Iranian Government deposit in Guaranty Trust Company terms and conditions to be similar to those of previous shipment. Cable reply requested.

For the Department's information British sales of gold in Iran are proceeding successfully. Daily sales are limited to 8,000 sovereigns although there is demand for more. Rate today is 550 rials per sovereign. Since present British stock of 100,000 sovereigns will soon be exhausted additional 200,000 are being brought from Cairo. Bazaar reports point to steadying of prices, perhaps partly as result of gold sales. Bar gold imported by Iranian Government from United States is being minted into gold pahlevis for sale under similar conditions as British coins.

DREYFUS

891.51/580a : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, July 17, 1943—3 p. m.

346. Both British Embassy and Iranian Legation have spoken to us about a short-term credit of 500,000,000 rials which Iranian Government is said to be seeking urgently in order to finance purchase of grain crop. It is understood this credit would be separate from the \$50,000,000 loan previously requested.

British also say negotiations are nearing completion for an advance of 350,000,000 rials by Anglo-Iranian Oil Company to cover deficit in last budget.

Please report.

HULL

891.51/574 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, July 19, 1943—9 a. m.

[Received 11:50 a. m.]

741. Millspaugh has furnished following information in reply to Department's 332, July 10th. Figures cover fiscal year 1322,¹ ending March 20, 1944, are revised as of July 15 and are stated in millions of rials.

1. Breakdown of estimated revenues.

(a) Ordinary receipts 1881. This is broken down as follows: taxes 710, customs duties 408, oil royalties 439 and miscellaneous 324.

(b) Sales of piece goods, rice, wheat, barley, tea, sugar and bread 3614.

(c) Receipts from commercial enterprises including factories and monopolies, ceded properties and public domain exploitation 3023.

Total estimated revenues 8518.

¹ According to the Moslem calendar.

2. Breakdown of estimated expenditures.

(a) Ordinary expenditures of Government Departments including War and Police 3225.

(b) Expenditures for goods listed under (b) above 4293.

(c) Commercial expenditures for items listed under (c) above 2310.

(d) Repayment of short term and floating debt 157.

(e) Amount necessary to grant urgently required increases in salaries of Government employees, without which Government can not hope to continue to function 100.

Total expenditures 10,485.

3. Conditions of loan. Repayment of interest and principal should be deferred until 6 months after war, thereafter to be paid in 10 equal yearly installments to include principal and interest. Security to consist of oil royalties estimated at 4 million pounds a year. Lender may collect against entire security to extent of unpaid balance in event of default or inability to repay loan. Interest rate to be fixed by United States. (End Millspaugh statement.)

Millspaugh now estimates deficit for this year at 2,000,000 rials. He reiterates that unless foreign loan of substantially this amount is received financial collapse of Iranian Government is inevitable. He regrets necessity of again revising deficit upwards but this is due to unsatisfactory condition in which he found Government records, to increased costs due to inflation, to absolute necessity of granting salary increases, and to great extent to increased costs of wheat purchases due to higher prices and new method of buying.

Other information desired by Department concerning amount which can be borrowed from bank and statement of public debt will be forwarded in day or two.

DREYFUS

891.51/579 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, July 19, 1943—3 p. m.

[Received 9:39 p. m.]

745. Department's 346, July 17. The two questions of the necessity for a short term advance and the possibility of obtaining an advance of oil royalties were discussed in my 661, June 25. Arrangements have now been completed to obtain advance of 350,000,000 rials against oil royalties. However, Dr. Millspaugh estimates that in addition to this amount he will need 500,000,000 rials to meet current obligations during next month and enable Government to carry out essential wheat purchase program. This short term advance would not be in addition to loan but would be repaid from loan when obtained. As indicated in my 741, June [July] 19, loan of 2 billion rials or about \$65,000,000 is now desired by Iranian Government.

DREYFUS

891.51/580 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, July 21, 1943—3 p. m.

[Received July 22—12:36 a. m.]

755. My 741, July 19. Millspaugh has furnished following statement of Iranian public debt as of July 20, 1943. Figures are in millions of rials.

1. External debt 219 of which equivalent of 20 payable in dollars and remainder in pounds.

2. Internal debt 3742.

3. Internal and external debt is composed of 1.957 floating, 1.806 short term and 197 long term.

4. Total debt maturing in the year 1322 amounts to 1.187 and in 1323 to 98. The difference between the amount maturing in 1322 and the figure of 157 given in paragraph 2 (d) of my No. 741 which represented repayment of debts in 1322 will be refinanced by Banque Mellie.

5. Amount of internal debt borrowed in 1322 is 370. Amount which can still be borrowed from Banque Mellie is 130.

DREYFUS

891.51/582a : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, July 22, 1943—1 p. m.

357. Treasury in considering methods by which a loan might be made to Iran wishes following information :

1. Please confirm again that, in event a dollar loan is made, Iran would utilize loan by issuing rial currency.

2. Would dollars or gold be held in New York as backing for such rial currency?

3. Please also confirm that the legal reserve requirement against additional currency is 100 per cent in gold or dollars. Would this requirement remain unchanged?

4. Is there any legal reserve requirement, whether rials, gold, or dollars, against rial deposits in the Bank Mellie Iran?

5. Is there any limitation on the right of the Bank Mellie Iran to hold rial deposits for foreign governments or central banks?

HULL

891.51/582 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, July 24, 1943—5 p. m.

[Received 5:44 p. m.]

770. Millspaugh furnishes following replies to numbered paragraphs of Department's 357, July 22.

1. It is again confirmed that in event of a dollar loan being obtained proceeds would be used for issuing rial currency.

2. Yes.

3. Reserve against notes issued since November 19, 1942 is 100 per cent in gold and/or dollars or sterling. No change in this reserve requirement is contemplated.

4. Yes. Bank is required to maintain 40% ratio between liquid assets (in the form of rial notes, gold, silver, free foreign currencies or 15 days' bills) and immediate liabilities.

5. No.

DREYFUS

891.51/7-2443

Memorandum of Conversation, by Mr. Paul F. McGuire of the Office of the Adviser on International Economic Affairs

[WASHINGTON,] July 24, 1943.

Participants: Messrs. Bernstein, Gunter, Glendinning, Treasury Dept.
Col. Luscombe, Persian Gulf Service Command, U.S. Army;
Major Patton, Finance Division, War Department
Mr. Livesey, Financial Division, State Department
Messrs. Jernegan, Parker, Near Eastern Division, State Dept.
Mr. McGuire, Office of Adv. Int'l. Eco. Affairs, State Dept.

Following the discussion on Near East Financial Policy held at the Treasury on July 15, 1943 (reported in full by Mr. Parker²), this meeting was held to discuss further developments and to instruct Mr. Gunter, who was about to leave on a trip to Iran, Saudi Arabia and Turkey.

REGARDING IRAN

Mr. Bernstein announced that the Treasury was ready to act on the request of Dr. Millspaugh and the Director of the Banque Mellie for conversion into gold and shipment to Iran by air of \$1,000,000 of the

² *Ante*, p. 582.

Iranian Government deposit in the Guaranty Trust Company on the same terms and conditions as covered a previous shipment of \$500,000 worth of gold in May. The Army will provide air transportation for the gold, which will be shipped in the form of bars. The Iranian Government is minting this gold into pahlavis and selling them for rials in the open market. A dollar's worth of gold coins brings 84 rials in the open market in Iran. Under existing arrangements covering the financing of our military expenditures in Iran, the Iranian Government provides rials in exchange for dollar balances at a fixed rate of only 32 rials to the dollar. To the extent that it is then permitted to convert dollar balances into gold, the Iranian Government can, in effect, get back 84 rials for 32 rials originally issued in exchange for dollars. The extent to which this favorable result can be obtained is, of course, limited by the capacity of the Iranian gold market to absorb gold coins at high prices in terms of rials. The Government's deficit is running at the rate of 2 billion rials per annum, and the sale of the \$1,500,000 worth of gold will contribute only 126,000,000 rials towards the meeting of this deficit, (assuming that the rials received in exchange for gold are treated as current revenues of the government available for responding to cover government expenditures).

The British have undertaken the sale of gold sovereigns in Iran for their own account. According to Mr. Bernstein, they are selling at the rate of 10,000,000 rials daily at 690 rials per sovereign (which would indicate that they are disposing of 14,500 sovereigns daily. This figure may be compared with a figure of 8,000 sovereigns daily and a price of 550 rials per sovereign reported in Tehran's telegram, no. 727 of July 16). The British have agreed to allow the United States to participate in this program retroactively on a 50-50 basis. The direct effect of this program is a 62% cut in that part of British and United States expenditures which can be covered by the proceeds of the sale of gold. e. g. Instead of getting 32 rials for a dollar through the Bank Mellie, the U.S. Government will get 84 rials for a dollar's worth of gold sold in the open market. Therefore, the United States will be able to buy 84 rials' worth of commodities and services in Iran at a cost of \$1.00 in the form of gold, whereas if rials were obtained at the official dollar-rial rate through the Bank Mellie, the same quantity of goods and services would require an expenditure of of \$2.62 in the form of dollar balances credited to the Iranian Government.

From a long run point of view, this plan is disadvantageous to the Iranian Government, because the pound and dollar balances accruing to the Government for post-war use are reduced. However, the Iranian Government will obtain some immediate benefit. It will no longer be required to issue new rials to cover the full amount of British and U.S. purchases in Iran. While the new currency thus

issued has 100% backing in sterling and dollar balances, these balances cannot be converted into imports of commodities due to shipping stringencies. The result has been a large increase in the quantity of money relative to the quantity of goods available for purchase, which has brought about a five-fold increase in prices. This increase in prices has meant a large increase on the expenditure side of the Iranian Government's own budget, while, as is typical under inflationary conditions, revenues have lagged. It is estimated that the Iranian budget will show a deficit of 2 billion rials for the fiscal year ending March 20, 1944. Only 500 million rials of this can be financed by issuance of rials through the Bank Mellie under strict Iranian law which requires backing of 100% in either gold or sterling or dollar balances for all issues of currency after November 19, 1942. This crisis will be aggravated by any further price rises resulting from further note issues against sterling and dollar balances to cover British and American rial requirements. It is hoped that, to the extent that the British and Americans obtain rials through sale of gold at the high premiums now prevailing, commodity price inflation will be checked, both through a reduction in the rate of new currency issue, and through substitution of gold for commodities as a hoarding medium. However, the plan is an experiment, and results must be watched closely. It is reported that the gold market is absorbing all sovereigns offered at the price of 690 rials to the sovereign. If enough sovereigns could be made available to maintain the present rate of sale of 14,500 sovereigns daily, yielding 10,000,000 rials daily, about one half of combined British, American, and Russian rial requirements amounting to some 7½ billion rials annually could be covered by gold sales. Obviously, there would remain some 3,600,000 rials to be obtained through new note issue, which would require a doubling of the note issue during the year. Hence, gold sale on the present limited scale is only a partial answer to the problem of financing Allied purchases in Iran. The problem of the 1½ billion rials which the Iranian Government will need to balance its own budget also remains unsolved.

Dr. Millspaugh insists that the Iranian Government faces complete collapse unless provision can be made for issuance of these 1½ billion rials within the limitations of the legal 100% reserve requirements. He has urged most strenuously that a loan of dollar or sterling balances must be made to the Iranian Government to provide backing for the necessary note issue. Otherwise, the Iranian Government will either have to default on some of its obligations, or lower its reserve requirements, which would cause the public to lose faith in the currency and thereby accentuate its depreciation.

At the fixed exchange rate of 32 rials to the dollar, the required loan would amount to about \$50,000,000. The Iranian Government

would prefer that the United States make the entire loan, but will not refuse British participation. The Russians have refused to recognize the need for a loan, and would probably not participate, though they should be invited to do so.

Mr. Gunter's chief assignment in Iran will be to discuss the amount of the loan with Dr. Millspaugh and work out certain details with respect to reserve requirements, place where deposits will be held, et cetera. The Treasury believes that so long as the loan is used only as backing for currency issues, it can be handled under existing currency stabilization authority.

The military representatives present at the meeting were chiefly interested in reiterating a request by General Connolly of the Persian Gulf Service Command that gold coins be turned over directly to army procurement officers in Iran to be used directly in the purchase of commodities. They stated frankly that General Connolly would like the 62% cut in expenditures to show up directly on his books, so that his present appropriations would last longer. Mr. Bernstein expressed the view that if there was to be any profit on gold sale, it should go into the general fund of the Treasury, to be reappropriated by Congressional action. He pointed out that considerable confusion would otherwise result, since each agency of the government making any expenditures in Iran (e. g. the State Department) would expect similar treatment in self defense. Furthermore, it would be dangerous to start using gold coins directly in purchasing commodities, since sellers would probably then refuse to accept rials, and would demand gold payment on all transactions. It is believed much safer to have the gold sold in the open market for rials, and to continue to use rials in direct purchases of commodities and services. Colonel Luscombe and Major Patton appeared convinced of the logic of these arguments. They stated, however, that there were indications that British Army procurement officers were getting gold coins to use in purchasing operations. Mr. Bernstein admitted that if this were true, General Connolly would have to be given similar advantages, but said that if the evidence were confirmed the Treasury would try to persuade the British Treasury to stop such operations.

[Here follows section dealing with Saudi Arabia, printed on page 880.]

121.5767/1 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, July 29, 1943—10 p. m.

380. John W. Gunter, appointed Financial Attaché at Ankara, left United States by air this week. Before going to Ankara he will proceed to Tehran to investigate certain phases of Iranian financial sit-

uation with respect to request for a loan from United States. Gunter has been instructed to call on you upon his arrival and to work with you, and you should present him to Millspaugh and other appropriate officials of Iranian Government. Please facilitate his work with advice and all appropriate assistance. Gunter is not authorized to make commitments on behalf of this Government, but it is expected that his reports will greatly assist Treasury in taking such action as it may find to be feasible to assist Iran.

For your information, this Government is continuing its studies on Iranian loan problem and is preparing a tentative plan of action which will be checked, in part, against information supplied by Gunter.

HULL

891.516/171 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, July 29, 1943—midnight.

383. From Treasury. Your No. 727, July 16. Treasury is prepared to license sale of \$1,000,000 of gold for shipment to Iran. Air transportation will be provided by United States Army. Please have Banque Mellie Iran authorize Federal Reserve Bank of New York by tested cable to acquire gold for export on its behalf, to debit account of Banque Mellie Iran at Federal Reserve Bank of New York for cost of gold and all expenses, including insurance, if desired by Banque Mellie (funds on deposit in Guaranty Trust Company could of course be transferred to Banque Mellie dollar account at Federal Reserve Bank) and to deliver gold to United States Army when Federal Reserve Bank is advised by Army it is ready to provide transportation. Inasmuch as your No. 727 indicates that 10-ounce gold bars contained in previous shipment are being minted into pahlavis please have Banque Mellie indicate whether it wishes (a) 400-ounce bars of fineness of .995 or better (b) 400-ounce bars of approximate fineness of .900 or (c) 10-ounce bars the supplying of which may be subject to some delay and which cost slightly more than (a) or (b). [Treasury.]

HULL

891.515/104 : Airgram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, August 5, 1943—noon.

[Received August 17—3 p. m.]

A-25. The Banque Mellie Iran has requested the Legation to ascertain whether the Federal Reserve Bank at New York will agree

to convert monthly two million dollars of Iranian Government deposits in United States into gold bars and arrange with the army authorities for the transport of this gold to Iran. The purpose of the request is to avoid the considerable amount of telegraphing and routine involved in making arrangements for these sales of gold to Iran in each specific case. The Department will recall that one-half million dollars of gold was recently sold and shipped to Iran and that negotiations are now under way for the sale and shipment of bars worth one million dollars.

I am of the opinion that it would not be wise to commit ourselves to a continuing policy of selling gold to Iran and undertaking to transport it by plane. It would seem to me preferable to consider each application separately in the light of conditions prevailing in Iran, particularly taking into consideration the degree of cooperation being given by the Iranians to the American advisers. It is requested that the Department consult the Treasury with regard to this matter and inform the Legation of its decision.

DREYFUS

891.51/587 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, August 17, 1943—5 p. m.
[Received August 19—3:18 a. m.]

850. Millspaugh now states that certain items of receipts which have just come to light will probably reduce substantially the amount of the loan or credit which Iran will require. Main item consists of 300 million rials which British are now prepared to pay on account of debt to Iranian railways. Budget is being restudied in light of this development and Department will be informed as soon as possible of results. Millspaugh regrets necessity for these constant changes. However, the fault is not his since infinite time and patience have been required to make order out of muddle in which he found Iranian finances. He is beginning to see light and I am hopeful he can soon present a firm and exact statement of amount of credit Iran will require.

Full information will be made available to Gunter when he arrives.

DREYFUS

121.5767/3 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, August 20, 1943—5 p. m.
[Received August 21—12:05 p. m.]

863. Department's 380, July 29. For Morgenthau Treasury from Gunter.

"1. The Iranian Government will need to obtain authority from the Medjliss to enter into stabilization agreement. A bill has been drafted and Millspaugh wishes to know if it will be satisfactory to the Treasury. Any suggestion will be appreciated. The bill has been made simple to assure its being understood and to facilitate its translation. The draft is as follows: The Ministry of Finance is authorized to enter into an agreement with the United States Treasury to obtain in case of need advances of United States dollar exchange up to an amount of \$30,000,000 and to repay such advances according to the terms of the agreement. Advances under this agreement will constitute a revolving fund and will be used for the purpose of strengthening the currency of Iran and meeting the financial needs of the Government. The Ministry of Finance will authorize the Banque Mellie Iran to act as the fiscal agent of the Government in carrying out this law.

2. Millspaugh will have the bill introduced in the Medjliss if the Treasury is willing to enter into the agreement and wishes to be informed of Treasury's decision through the Legation. If the decision is favorable the Iranian Minister in Washington will be instructed to negotiate with the Treasury. Drafts of the agreement should be sent to Iran both through the Iranian Minister and by the State Department. The Iranian Minister can be authorized to sign for the Ministry of Finance and for Bank Mellie."

DREYFUS

891.5151/248: Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, August 20, 1943—6 p. m.

[Received August 21—12:24 p. m.]

864. Department's 380, July 29. For Morgenthau, Treasury, from Gunter.

"1. Stabilization agreement will meet needs of Iranian Government by supplying dollars for currency reserve and thus enabling Bank Mellie to extend additional credit to Government.

2. As you know, reserve of 40% current assets to assets liabilities is required of banking department of Bank Mellie by law. Current assets include rial notes, gold, silver, free foreign exchange and bills of 15 days or less. Bank considers any liability of 30 days or more as being non-current and thus not subject to reserve requirement. By making the rials deposit provided for in the agreement subject to at least 30 days notice, all dollars may be included in the currency reserve. Ebtelah, Governor of Bank Mellie, prefers longer period than 30 days. Ninety days or longer would be more satisfactory.

3. It will be desirable to include provisions relating to gold similar to those included in the financial agreement submitted to Iran earlier this year. Gold on earmark outside of Iran included in the currency reserve.

4. Millspaugh states that stabilization agreement is exact type of arrangement needed. An amount of \$30,000,000 is requested. This amount should enable the Government to meet all expenses for 1322, which ends March 20, 1944. In fact there seems to be strong possibility that it will not be necessary to utilize the full amount. The amount that will be needed depends principally on results of operations of various commercial enterprises of Government. Details of budget position will be cabled first of week.

5. Current position of Government has been relieved by an advance of royalties of 2,675,000 pounds by Anglo-Persian Oil Company. These royalties are for the balance of 1322. Total annual payment by Anglo-Persian Oil Company is 4,000,000 pounds. Amount still available from Bank Mellie is 80,000,000 rials. Wheat purchases for which 500,000,000 rials have been appropriated are not being handicapped by lack of funds.

6. I discussed with Millspaugh the possibility of altering the currency law in order to enable the Bank Mellie to extend more credit to the Government. He feels that such a change should not be undertaken at present time, not only because of political considerations, but also because of the alleged danger of undermining confidence in currency. Both Millspaugh and Ebtehaj agree that the law should be altered eventually, however. I also discussed possibility of liquidating part of metallic reserve as means of obtaining funds. Millspaugh was impressed with this idea and intends to press immediately for authority to sell silver and perhaps gold also from currency reserve. I discussed this idea with Lloyd³ in Cairo and he agrees with me that, if Iranian Government undertakes such a program, the Anglo-American gold sales in Iran should not be allowed to spoil the market.

7. Copies of currency laws are being forwarded. I expect to be in Tehran until August 28."

DREYFUS

121.5767/4 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, August 23, 1943—noon.
[Received August 24—2:31 p. m.]

875. Department's 380, July 29. For Morgenthau Treasury from Gunter.

³ Edward M. H. Lloyd, Economic Adviser to the British Minister of State at Cairo.

(1) The following statement of financial position of Iranian Government was obtained from Millspaugh :

Expenditures (names and figures in millions of rials) : expenditures for 1321 paid 1322—220; estimated ordinary expenditures budget 1322—3417; salary increases 500; Lease-Lend obligations, tentative 250; outstanding claims against the government 100; total 4487.

Sources of funds: cash balance beginning of 1322—789; receipts for 1321 collected 1322—182; estimated ordinary receipts budget 1322—1890; advances by Bank Melli (80 still available) 500; re-financing of Bank Melli debt (offset to budgeted expenditures) 100; borrowing from railway administration 300; aircraft factory rental from British 4; earnings of Bank Melli available to Iranian Government 47; total 3812.

(2) Above figures are exclusive of commercial operations of the Government. Commercial [expenditures?] are budgeted at 5896 million rials. Thus it is estimated that Government must raise 776 million rials from sources not currently available.

(3) It should be emphasized that many items are very tentative. The most uncertain is the net result of commercial operations. Under favorable conditions of supply and transportation it is estimated that a maximum surplus of 323 millions rials might be realized. Under unfavorable circumstances however a maximum deficit of 619 million rials might be realized. Budget figures supposedly represent the most probable result.

(4) The funds the Government expects to borrow from the Railway Administration are dependent on the British and Russians bringing their accounts up to date. The British here are committed in principle to keeping their account current. If this is done, the fuel [full?] 300,000,000 rials will be available. If in addition, the Russians keep their account current, approximately another 100,000,000 rials could be borrowed. It is necessary to borrow from the Railway Administration because it operates largely independently of the regular Government Administration. Its budget however is subject to approval of the Council of Ministers.

(5) It should be emphasized that the outcome of the financial operations of the Government is still very uncertain. There seems to be little doubt that \$30,000,000 will enable the Government to undertake the necessary financing, and it is quite probable that it will be unnecessary to utilize the full amount as the budget for 1322 has not yet been approved by the Medjliss but passage is expected in the near future. Bills providing for the floating of an internal loan and for an upward revision in income tax rates are still pending, but in no event are they expected to yield income before 1323. Copies of the 1322 budget are being forwarded. [Gunter.]

121.5767/5 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, August 25, 1943—1 p. m.

[Received August 26—10:44 a. m.]

882. Department's No. 380, July 29. For Morgenthau Treasury from Gunter.

1. Millspaugh and Ebtehaj prefer that the Bank Mellie not be made a party to the stabilization agreement, but that the Bank be brought into the agreement only as fiscal agent.

2. In drafting the section of the agreement relating to consultation before any alteration in the dollar rial rate of exchange, due consideration should be given to the provision in the Anglo-Iranian financial agreement requiring Iran automatically to revise the dollar rial rate if dollar sterling rate should be changed. Anglo-Iranian agreement has passed Medjliss.

3. After the question of the stabilization agreement has been disposed of Iran may reopen negotiations for financial agreement. The desire for such an agreement is primarily political. Millspaugh and Ebtehaj have objected to several provisions of the draft ⁴ as originally submitted on the grounds that they are not mutual. I will submit report on this. [Gunter.]

DREYFUS

121.5767/3 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, August 26, 1943—7 p. m.

441. Your 863 August 20, 5 p. m. From Secretary of the Treasury for Gunter. In your 863 in which you set forth draft of proposed Iranian law authorizing Ministry of Finance to enter into stabilization agreement, the draft of bill treats the transaction as an advance and repayment. Treasury would prefer regarding the transaction as a purchase and repurchase and therefore suggests the following language as being preferable to that submitted by you:

"The Ministry of Finance and the Banque Mellie Iran are authorized to enter into an agreement with the Secretary of the Treasury of the United States for the purchase from the United States Treasury of not to exceed in the aggregate U.S. dollars thirty million against rials, for the purpose, among other purposes, of strengthening the currency of Iran. Such agreement may be made upon such terms and conditions as may be deemed appropriate, including the repurchase with U.S. dollars of all rials acquired by the United States Treasury

⁴ Draft not printed, but see telegram No. 84, February 16, 9 p. m., to the Minister in Iran, p. 568, and footnote 87, p. 569.

under such agreement. The Ministry of Finance and the Banque Mellie Iran are further authorized to take such action directly or indirectly as may be necessary or desirable to carry out such agreement."

Treasury is prepared to begin discussions of such an agreement with the Iranian Minister in Washington. [Morgenthau.]

HULL

121.5767/6 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, September 2, 1943—9 a. m.

[Received 10:58 a. m.]

910. Department's 441, August 26. Both Gunter and Millspaugh approve the amended wording suggested by Treasury. The latter is requesting Foreign Office to telegraph instructions to Iranian Minister in Wellington [*Washington?*] to proceed with discussions and is asking Government to submit proposed bill to Medjliss.

DREYFUS

891.5151/248 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, September 8, 1943—10 p. m.

1303. From the Secretary of the Treasury for Gunter :

1. Treasury is willing to enter into a stabilization agreement with the Government of Iran and is prepared to begin discussions promptly with the Minister of Iran in Washington.

2. Under this agreement the Treasury will purchase rials from the Government of Iran, payment to be made in dollars deposited to the account of the Government of Iran or the Bank Mellie at the Federal Reserve Bank of New York. No interest will be paid on the dollar balance in such account. The dollars so acquired by Iran may be converted into gold to be held under earmark at the Federal Reserve Bank of New York.

3. The Treasury will undertake to purchase rials under this agreement so long as the rials it holds do not exceed at any one time the equivalent of \$30 million. The rials so acquired will be held as a time deposit in the Bank Mellie. Interest will be paid on the average daily balance of rials at the rate of 1½ percent per annum. At the end of each 90-day period, the Government of Iran will repurchase the rials accrued as interest at the average rate of exchange at which

the rials on which such interest has accrued were acquired. The Secretary of the Treasury may require the repurchase of any rials previously purchased by him. Beginning 90 days after receipt of notice to repurchase, the Government of Iran will repurchase at the end of each succeeding 30-day period $\frac{1}{2}$ of the amount required to be repurchased. The rials repurchased will be paid for in dollars at the Federal Reserve Bank of New York at the rate at which the rials were previously acquired by the Treasury. Either gold or dollars equivalent to the rials shall be pledged as security for the repurchase of the rials.

4. This agreement will terminate on June 30, 1945, subject to earlier termination at any time with respect to the acquisition of additional rials.

5. No change in the dollar-rial rate of exchange may be made by the Iranian Government during the term of this agreement without prior consultation with the Treasury of the United States. Under any circumstances, it is expected that consultations will be held periodically in connection with this agreement. [Morgenthau.]

Repeat to Tehran as Dept's No. 455.

HULL

891.51/590: Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, September 21, 1943—5 p. m.
[Received September 21—1:10 p. m.]

947. Department's 441, August 26. Millspaugh states that Deputies of Medjliss desire assurance regarding the security which is to be pledged in connection with Treasury's proposed agreement. Accordingly he wishes to expand final sentence of draft law transmitted in Department's telegram under reference to read "The Ministry of Finance and the Bank Mellie Iran are further authorized to take such action directly or indirectly as may be necessary or desirable to carry out such agreement, without however having the right to pledge any specific revenues or assets of the Iranian Government or of the Bank Mellie Iran, except gold or dollars equal in amount to the rials purchased by the United States Treasury under this agreement".

Millspaugh would like to know as soon as possible whether the Treasury Department sees any objection to this addition, since the draft law is now under discussion by the Cabinet preparatory to its submission to Medjliss.

DREYFUS

891.51/590 : Telegram

The Acting Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, September 27, 1943—10 a. m.

492. Your 947, September 21, 1943. From Treasury. Treasury would prefer the wording of the proposed change in the draft law to be as follows :

“The Ministry of Finance and the Bank Mellie Iran are further authorized to take such action directly or indirectly as may be necessary or desirable to carry out such agreement, without however having the right to pledge as security any specific revenues or assets of the Iranian Government or of the Bank Mellie Iran, except gold, dollars or dollar securities equal in amount to the rials purchased by the United States Treasury under this agreement.”

[Treasury]

BERLE

891.51A/900 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 14, 1943—4 p. m.

[Received November 14—1:17 p. m.]

1063. Department's 455, September 8.⁵ Millspaugh says Majlis is not favorably inclined toward proposed stabilization agreement and, in view of his recent struggle over income tax bill,⁶ he is very reluctant to present another controversial project at this time. He believes Iranian Government can get along another 2 months at least without outside financial help and thinks it possible the agreement may never be necessary. Accordingly, he suggests suspension of negotiations reported in Departments 530, October 1 [13], be continued for the time being.⁷

I understand Majlis opposition is due primarily to a distrust of foreign loans in general and to doubt regarding necessity for a loan at this time, rather than to specific objections to terms of agreement as proposed by Treasury.

Please inform Treasury.

DREYFUS

⁵ See last paragraph of telegram No. 1303, September 8, to the Minister in Egypt, p. 597.

⁶ For correspondence on this subject, see pp. 510 ff., *passim*.

⁷ For Department's telegram No. 530, October 13, see p. 541; for correspondence relating to the situation precipitated by Dr. Millspaugh in submitting his resignation as Administrator General of Finances, see pp. 537 ff., *passim*. Under the stress of this crisis the loan negotiations were suspended, thus terminating also any further consideration of the proposed financial agreement.

PROPOSED LEND-LEASE AGREEMENT WITH IRAN

[A proposed lend-lease agreement and collateral exchange of notes were presented to the Iranian Minister at Washington on August 13, 1943. Negotiations in 1944 and 1945 were terminated by the ending of the war, and no agreement was concluded.]

**AGREEMENT AND SUPPLEMENTARY EXCHANGE OF NOTES BETWEEN
THE UNITED STATES AND IRAN REGARDING RECIPROCAL TRADE**

[For text of agreement and accompanying notes signed at Washington April 8, 1943, see Department of State Executive Agreement Series No. 410, or 58 Stat. (pt. 2) 1322.]

**PROBLEMS REGARDING THE IMPLEMENTATION OF THE TRIPARTITE
FOOD AGREEMENT OF DECEMBER 4, 1942;⁸ IRANIAN REPRESENTATIONS CONCERNING THE SUPPLY OF ESSENTIAL IMPORTS TO IRAN**

891.5018/31½

Memorandum of Conversation, by Mr. John D. Jernegan of the Division of Near Eastern Affairs

[WASHINGTON,] January 7, 1943.

Participants: Mr. Richard Casey, British Minister of State in the Middle East
 Mr. Murray ⁹
 Mr. Alling ¹⁰
 Mr. Merriam ¹¹
 Mr. Allen ¹²
 Mr. Jernegan

Mr. Casey said that he and his staff at Cairo had long ago come to the conclusion that ultimately it would be necessary to ship wheat to Iran in order to tide the country over until the 1943 harvest. However, his economic advisers had strongly urged him to make no announcement to this effect until the last possible moment, since otherwise the Iranians would make no effort to bring out the large stores of hoarded wheat in the country. This policy had, accordingly, been followed until recently. It was, of course, abandoned with the

⁸ For previous correspondence, see *Foreign Relations*, 1942, vol. iv, pp. 155 ff.

⁹ Wallace Murray, Adviser on Political Relations.

¹⁰ Paul H. Alling, Chief of the Division of Near Eastern Affairs.

¹¹ Gordon P. Merriam, Assistant Chief of the Division of Near Eastern Affairs

¹² George V. Allen of the Division of Near Eastern Affairs.

signing of the American-British-Iranian food agreement on December 4.¹³

Mr. Murray said that the Department had felt that there was complete agreement between Washington and London on the subject of policy in Iran, but that there appeared to be a lack of coordination between London and Tehran, as policies laid down in London did not seem to be followed by British officials in Iran. Mr. Casey said that Mr. Welles had raised the same point with him during their conversation earlier in the day.¹⁴ Mr. Welles had also indicated his feeling that the British authorities had been using wheat as a weapon to force Iranian compliance with British wishes. Mr. Casey had assured him that the British in the Middle East had not used wheat in any way as a political weapon and that the sole purpose in withholding an undertaking with regard to wheat had been to induce the Iranians to take steps to bring into the market their own supplies of domestic wheat before recourse was had to imports.

As regards the apparently unfavorable impression which the Department had received of British policy in Iran, Mr. Casey was inclined to attribute it to the fact that the British and American Ministers in Iran¹⁵ "did not see eye-to-eye". In expressing this opinion, however, he was not attempting to apportion blame or praise, since he was not sufficiently familiar with the local situation to do so.

Mr. Murray said that the Department had been very disturbed at the reported remarks of certain British officials in Iran to the effect that they would not favor supplying wheat to Iran so long as Iranian sentiment remained hostile to Great Britain. He remarked that it seemed hardly possible to win the love of the Iranians by starving them, and he went on to emphasize the fear of starvation engendered in the Iranians by their unhappy experiences at the end of the last war. Mr. Casey did not reply directly, except by saying that anti-British feeling was not, in fact, manifest in Tehran during the recent riots and by saying that the Iranians did have reason to hoard wheat, both because of their fear of starvation and because of its attraction as an investment under present circumstances.

Mr. Casey spoke of the difficulties the Allied Governments had had in connection with obtaining supplies of local currency in Iran.¹⁶ He said that the British Government had been faced with a most difficult situation during the crisis which began in October, 1942.

¹³ Food Agreement between the United States, the United Kingdom, and Iran signed at Tehran, December 4, 1942; for text, see Department of State Executive Agreement Series No. 292, or 56 Stat. (pt. 2) 1835.

¹⁴ For memorandum of this conversation, see p. 319.

¹⁵ Sir Reader Bullard and Louis G. Dreyfus, Jr., respectively.

¹⁶ For further correspondence on this subject, see pp. 561 ff., *passim*.

At one point they had only sufficient rials available to continue operations for two or three days, and the Majlis was refusing to issue additional currency. Since the British were engaged in work vital to the transport of supplies to Russia, it was impossible for them to suspend operations; yet it was almost unthinkable to resort to the use of force in order to obtain the necessary currency. His own instructions had been to use force only as the very last resort. He had gone himself to Tehran, had talked to Iranian officials and had asked for suggestions from every possible quarter but no one had seemed to have any constructive ideas on the subject. The Prime Minister, Qavam, had done nothing but wring his hands and express the forlorn hope that some way might be found whereby the Iranian Government could live up to its obligations under the Anglo-Iranian Financial Agreement of May 26, 1942.¹⁷ The American Minister, Mr. Dreyfus, had likewise been unable to suggest anything.

Mr. Murray referred to the previous financial crisis, in the spring of 1942, which had been resolved by conclusion of the agreement of May 26. He pointed out that the British Government had appealed to the Department at that time and had found it necessary to change its previously uncompromising attitude toward the Iranians and to make concessions in connection with the conversion of sterling exchange into gold and the provision of dollar exchange to meet Iranian needs. It was also pointed out that the later crisis in the fall of 1942 had been settled ultimately through a concession with respect to supplies of wheat, in return for which the Iranian Government had transferred control of currency issued to a committee, in accordance with British desires. These developments were cited as evidence that it was, in fact, possible to deal with the Iranian Government on a basis other than the use of force, to which the Department was firmly opposed.

Mr. Casey was asked whether he believed that the Iranian Government had the administrative organization and capacity to enforce anti-hoarding laws and bring out of hiding the wheat known to exist in the country, provided it set itself to the task. He indicated that he thought it possible, if all branches of the Government cooperated whole-heartedly. He mentioned in particular the *gendarmérie*, saying that the cooperation of Colonel Schwarzkopf¹⁸ would be necessary. In passing, Mr. Casey spoke highly of Colonel Schwarzkopf and also of Mr. Sheridan, the Food and Supply Adviser.

¹⁷ For correspondence relating to this agreement, see *Foreign Relations, 1942*, vol. iv, pp. 300 ff.

¹⁸ Col. H. Norman Schwarzkopf, American Adviser to the Iranian *Gendarmerie* (rural police); for correspondence relating to Colonel Schwarzkopf's Mission, see pp. 513 ff., *passim*.

891.24/346a : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, January 18, 1943—4 p. m.

397. Tehran reports that British Minister, American Minister and Iranian Ministry of Food have unanimously decided that over and above 25,000 tons wheat now being shipped from North America, Iran will have deficit of approximately 23,500 tons cereals during current crop year. This decision was taken in accordance with provisions of Article I of Tripartite Food Agreement signed December 4, 1942.

The parties to this decision recommend shipment 7,100 tons wheat ¹⁹ from North America and 16,400 tons barley from Iraq to make up anticipated deficit, in accordance with obligations established by food agreement.

It is understood British Minister Tehran is transmitting above recommendation to his Government and is taking steps to obtain barley from Iraq.

Department entirely approves recommendations made. Please transmit substance of foregoing to the Foreign Office and urge that action be taken as soon as possible. We assume British Ministry of Food will arrange wheat shipment from North America. Upon receipt of confirmation, Department will notify appropriate agencies here in order that shipping programs may be adjusted.

Please inquire whether a saving in shipping space could not be effected through shipment of flour equivalent to 7,100 tons wheat instead of wheat itself.

HULL

891.24/347 : Telegram

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

LONDON, January 20, 1943—11 a.m.

[Received January 20—9 a. m.]

508. Substance of Department's 397, January 18, 4 p. m., has been given Foreign Office and prompt action with reference to the recommendations regarding wheat and barley for Iran has been urged. When doing so, we were told that as soon as British Minister at Tehran had informed Foreign Office of these recommendations, Foreign Office took up with the Ministry of War Transport the question of transporting this additional wheat from North America. While no definite reply has been received from the War Transport Ministry,

¹⁹ This was subsequently revised downward to 5,000 tons (891.24/370).

Foreign Office says that limited shipping facilities will most likely make it difficult to arrange for the shipment of this wheat. In this connection, Foreign Office added that it has just been found necessary to cut Middle East shipping program by 50 percent and that while this cut will probably not affect January shipping plans, it will become effective in February.

Foreign Office will promptly inquire of shipping experts whether space could be saved by shipping flour instead of wheat.

We were also told at the Foreign Office that the Soviet Ambassador in London is being requested to urge his Government to take steps to induce Soviet authorities in Iran to facilitate transportation of wheat from Soviet occupied Iran where according to Soviet statements there is a supply of 35,000 tons to points in Iran where it is most needed.

It is being pointed out to the Soviet authorities Foreign Office states that for every ton of wheat made available from that which is in Soviet occupied Iran just so much more shipping space for supplies for Russia will become available.

MATTHEWS

891.24/360 : Telegram

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

LONDON, January 26, 1943—1 p. m.
[Received January 26—10:27 a. m.]

662. Department's 397, January 18, 4 p. m., and Embassy's 508, January 20, 11 a. m. Foreign Office now informs us that it agrees that recommendations regarding wheat from North America and barley from Iraq should be approved and that it has instructed British Embassy at Washington so to advise Department. Foreign Office adds that British shipping authorities in United States are being told to take up with the appropriate American authorities the arrangements that have to be made, so that adjustments can be effected in the shipping programs.

Experts who have been consulted have informed Foreign Office that only about 10 percent shipping space would be conserved if flour were substituted for wheat. This the experts explain is because of the high percentage of flour which is being extracted from wheat in Iran. While the danger exists that flour if stored for over a month in the extreme heat prevailing in the Persian Gulf would deteriorate, these experts are nevertheless giving consideration to shipping some flour for experimental purposes. Should it be definitely decided to do this Foreign Office will advise us.

MATTHEWS

891.24/3947

*Memorandum of Telephone Conversation, by Mr. John D. Jernegan
of the Division of Near Eastern Affairs*

[WASHINGTON,] February 5, 1943.

Mr. Armstrong²⁰ said that War Department officials had raised the question of consignment of the wheat which was to be shipped to Iran in American vessels. They felt that at least a part of it should be American wheat and should be sent to General Connolly,²¹ in order that he might have a supply under his control with which to feed his native employees.

I said it had been my understanding that all the wheat would be furnished by the British Ministry of Food and would, presumably, be consigned to the UKCC²² for delivery to the Iranian Government. However, I thought the Department would have no objection to consigning our part to General Connolly, provided arrangements were made to see that our obligations to deliver wheat to the Iranian Government were strictly fulfilled. The British and ourselves were bound to see that a certain quantity of wheat reached the proper Iranian authorities.

It was my recollection that the British in Iran, in agreement with the Iranian authorities, had laid out a plan for pooling imported grain to take care of the needs of native employees of the British and American forces, Anglo-Iranian Oil Company, and the general run of Iranian civilians.

Mr. Armstrong said that the War Department appeared to feel that General Connolly was being "pushed around", presumably by the British, and that his position would be strengthened if he had a supply of grain under his own control. If he had to go to the UKCC for his supplies, it might weaken his prestige vis-à-vis the Iranians. I agreed that it would be desirable to assist General Connolly if possible.

Mr. Armstrong asked me to advise the appropriate officers of the Department of this development. He said that a meeting of all concerned would probably be called in the next day or two to discuss it.

²⁰ Willis C. Armstrong of the Office of Lend-Lease Administration.

²¹ Maj. Gen. Donald H. Connolly, Commanding General, Persian Gulf Service Command.

²² United Kingdom Commercial Corporation.

891.24/394²

Mr. Willis C. Armstrong of the Office of Lend-Lease Administration to the Chief of the Division of Near Eastern Affairs (Alling)

WASHINGTON, February 17, 1943.

DEAR MR. ALLING: This will acknowledge receipt of your memorandum of recent date²³ with respect to the shipment of wheat to Iran. This has been the subject of considerable discussion with various authorities, with the result that approximately 7,000 tons of wheat are currently scheduled for loading on five Army vessels during February and March.

It is recognized that this does not in any sense constitute a permanent solution of the problem and it is understood from recent conversations with Mr. Jernegan that the State Department will take up the matter with the War Shipping Administration with the objective of having a ship assigned to carry the necessary wheat from Australia to the Persian Gulf.

From the point of view of the Russian supply program, it proved impossible to make any space available during the current month inasmuch as loadings in February have been markedly reduced, to a point below clearances in preceding months. This has been due to increased Army loadings as well as to the current shortage of ships.

If the wheat for Iran can be made available in Australia, it would seem that the assignment of vessels for this purpose should be definitely urged upon the War Shipping Administration. If there is any way in which this office may be of service to you, please do not hesitate to call upon us.

Very truly yours,

WILLIS C. ARMSTRONG

891.24/387 : Telegram

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

LONDON, February 21, 1943—midnight.

[Received February 22—3:25 a. m.]

1334. To Acheson,²⁴ Stettinius²⁵ and Douglas²⁶ from Harriman.²⁷ Leathers²⁸ has informed me of your decision not to press Russians to accept reduction of 7,500 tons in Russian February loading program to

²³ Presumably memorandum of February 5, *supra*.

²⁴ Dean G. Acheson, Assistant Secretary of State.

²⁵ Edward R. Stettinius, Jr., Lend-Lease Administrator.

²⁶ Lewis W. Douglas, Deputy Administrator, War Shipping Administration.

²⁷ W. Averell Harriman, Special Representative of the President in the United Kingdom with the rank of Minister, Lend-Lease Expediter in London, and United States Representative in London of the Combined Shipping Adjustment Board.

²⁸ Lord Leathers, British Minister of War Transport.

Persian Gulf in order to make space for wheat for Persian civil requirements.

The British are seriously concerned about this situation. I understand total Persian civil requirement which has been agreed to by United States and British Ministers in Persia is 30,000 tons. British Army in Persia has already turned over on a loan basis 5,000 tons, and there is now afloat from all sources sufficient to provide Persians with about 5,000 tons each in March and April. In view of recent cut to that area, the British are able to load only 3500 tons of wheat per month from all sources which is scarcely sufficient to cover requirements of British Army and of Arab Sheikdoms of the Persian Gulf and of labor employed by Anglo-Iranian Oil Company.

In order to fulfill the commitment to Persians and provide 5,000 tons per month in May, June and July, it will be necessary therefore to load in February, March and April a total of approximately 15,000 tons additional wheat. Furthermore the 5,000 ton loan of British Army must be replaced as early as possible at latest in July. The British have been relying upon February loading from United States in Russian aid ships as proposed recently to the State Department to cover May requirements. Present decision leaves critical gap in May arrivals. I understand you have already arranged to load 7,500 tons in March on five army vessels from United States.

I understand that it has been suggested in Washington that War Shipping Administration put on additional ship from Australia to carry wheat to Persian Gulf for arrival in May. I do not believe this proposal will help matters any unless one less Russian aid ship is despatched. The bottleneck is, as you know, the capacity of Persian Gulf ports and railroad to Tehran. I understand that British Army in Persia and General Connolly are agreed that by June there will be approximately 122,000 tons of uncleared cargo in port area above normal and that there is now an average of 15 ships awaiting berth. They have jointly recommended the reduction of Russian aid March loadings to Persian Gulf to 110,000 tons because of port congestion. See cable from PAIC²⁹ to British Joint Staff Mission in Washington dated February 15, number P. 45223. The arrival of an additional shipload of wheat will therefore merely delay another ship unloading Russian aid cargo. Furthermore the transportation of wheat for Persian civil use from Persian Gulf to Tehran will also displace an equivalent amount of Russian aid. No matter how the wheat may be shipped its delivery to the Persians must be at the expense of Russian aid.

It therefore seems that a definite decision of high policy must be made between carrying out our commitment to the Persians or to the

²⁹ Persia and Iraq Command (British).

Russians. We must evidently either face the consequences of further bread riots in Persia or of further straining the Russian supplies. If the decision is to supply the Persians, the most economical method of carrying the wheat would be to take it in Russian aid ships. There is some doubt whether, at this late date, wheat loaded in United States would arrive during May. If this is the case it may be feasible for War Shipping Administration to put on ship in Australia and deduct one ship from Russian aid program. The balance could be loaded in Russian aid ships between now and the end of April if there is no additional space in Army vessels. I understand the Russians were told some months ago when they took wheat out of North Persia for their own requirements that it would be necessary to deduct wheat shipments from Russian aid shipping program. Leathers advises me that the British War Cabinet after full consideration recommend that the joint decision should be to fulfil the Persian commitment even at expense of Russian aid, and I am cabling you at his request. Please advise. [Harriman.]

MATTHEWS

891.51/551

*Memorandum of Conversation, by Mr. John D. Jernegan of the
Division of Near Eastern Affairs*

[WASHINGTON,] March 3, 1943.

Mr. Yekta³⁰ called at the request of the Iranian Minister and handed me the attached note, the original of which the Minister is understood to have given to Mr. Harry White, Treasury Department, this morning.

Mr. Yekta said that the Minister, under instructions from his Government, had explained to Mr. White the need of Iran for imported supplies and had asked that a clause be included in the proposed American-Iranian financial agreement³¹ whereby the United States would undertake to do all in its power to provide articles essential to the Iranian economy. I understood that Mr. White had promised to take this request under consideration.

According to Mr. Yekta, the Minister wished this request brought to the attention of the Department as well as the Treasury Department.

[Annex]

It is in the interest of both countries to prevent the spiral rise of prices and to avert inflationary developments in Iran.

³⁰ Abdol-Ahad Yekta, Second Secretary of the Iranian Legation.

³¹ For correspondence regarding U. S. financial assistance to Iran, see pp. 561 ff.

The economic structure of Iran has been built up for its own needs, but we are facing now the further demand made upon it by our Allies in Iran. This demand, however, must be met, as far as possible, without upsetting the economic fabric of Iran and any further increase in the cost of living for the Iranians, whose earnings fall behind the rise of prices.

Our dollar or gold supply in America may be useful at a later date, but at present it would be no help to the Iranian economy. The only tangible help we can get from America for Iran would be the shipment of some most essential supplies. We understand the shipping problem, but some urgent needs could be met, and moreover there are many commodities which require very little shipping space yet are of great scarcity in Iran.

It is of utmost importance to consider the effect of this agreement upon Iranian economy as well as the interest of the United States in Iran.

891.24/393a : Telegram

*The Acting Secretary of State to the Consul General at Sydney
(Palmer)*

WASHINGTON, March 4, 1943—7 p. m.

294. Could you ascertain at once, in consultation with local representative of War Shipping Administration and of British Ministry of Food, whether 8,000 tons of wheat will be available, properly bagged, for shipment to Iran not later than the last week in March. War Shipping Administration plans to have a ship in berth by the last week in March to load such wheat. This is the latest possible date which will permit us to meet our commitment to Iran for deliveries in May.

Reply urgently.

WELLES

891.24/398 : Telegram

*The First Secretary of the British Embassy (Thorold) to Mr. John
D. Jernegan of the Division of Near Eastern Affairs*

W. T. 212/58/43

WASHINGTON, March 5, 1943.

DEAR MR. JERNEGAN: With reference to our discussion yesterday on the subject of the provision of wheat for Iran, recent telegrams which we have received from London emphasise that in the view of His Majesty's Government the only solution to this problem lies in the loading of the wheat on Russian aid vessels. It is pointed out that His Majesty's Government from the first, fully recognised that

the provision of wheat for Iran would have to be at the expense of Russian supplies, and it was because they realised all the grave disadvantages attendant on any such curtailment of supplies to Russia, that they were reluctant to come to the decision to provide wheat for Iran until it was proved absolutely essential to do so.

Once this decision had been come to and the commitment to Iran entered into, the consequences as far as regards Russian supplies were fully recognised and His Majesty's Government have repeatedly warned the Soviet Government that Russian supplies would have to suffer. In the first place it has to be appreciated that even if wheat for Iran could be shipped without encroaching on tonnage earmarked for Russia, it must displace Russian supplies on Persian inland clearance. It is for this reason that provision of a vessel from Australia is not altogether a solution. It will help, in that it will make the wheat available on the spot, but it will only displace Russian supplies in Iran and thereby involve a waste of shipping space in respect of Russian aid vessels which will be unable to discharge.

Secondly, apart from our obligations to Iran under the food agreement, the situation has now become such that failure to send wheat to Iran *immediately* will endanger the security of the trans-Iranian routes and consequently the transit of Russian supplies.

Yours sincerely,

G. F. THOROLD

891.24/395 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, March 6, 1943—3 p. m.

[Received 11:59 p. m.]

242. Bread situation in Tehran remains critical. Internal stocks are nearing exhaustion and wheat from United States has not yet begun to flow into Tehran in sufficient volume. Several thousand tons have arrived or are about to arrive at southern ports destined for wheat pool to feed Tehran, AIOC³³ and Allied labor. In view of great and inexplicable delays in bringing wheat to Tehran over the railway I have sent Byron MacDonald of Lend-Lease office southward to investigate and endeavor to institute a system which will insure rapid and regular deliveries.

It seems apparent to me that present agreed allocation of 200 tons a day northward for Iranian civil use on southern section of railway is woefully insufficient and that revision upward should be made as soon as Americans take over remainder of this line³⁴ and increase capacity of railway. British allocations officer agrees that for pres-

³³ Anglo-Iranian Oil Company.

³⁴ For correspondence relating to the operation of the southern section of the Trans-Iranian Railroad, see pp. 437 ff.

ent 160 tons of wheat will be moved northward daily which item alone will almost exhaust the 200-ton allocation. Since there was such great delay in shipping the 25,000 tons of wheat I believe that bread situation here will show little improvement for several weeks.

DREYFUS

891.24/401 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, March 15, 1943—3 p. m.

[Received 7:21 p. m.]

273. My 272 today.³⁵ I am convinced after consulting Sheridan and Middle East Supply Center representative that the wheat program of 30,000 tons for Iranian civil needs is adequate if it actually arrives. The program was based on assumption that almost no wheat will be obtained from Azerba [*Azerbaijan?*] January. I recommend no increase in the contemplated shipment of 55,000 tons of wheat to Iran to cover all needs up to next crop.

DREYFUS

891.24/400 : Telegram

The Consul General at Sydney (Palmer) to the Secretary of State

SYDNEY, March 16, 1943—4 p. m.

[Received March 16—6:08 a. m.]

306. Refer Department's 294, March 4, and my 256, March 6.³⁶ Local representative of British Ministry of Food states Ministry at London has cabled him that Ministry will supply wheat but that Ministry does not state from what sources. He therefore suggests matter be taken up at London with Food Ministry.

Legation states Australian Wheat Board would be glad to sell 8,000 tons bagged wheat ready for shipment at a few days' notice at Melbourne or Adelaide but not in western Australia.

PALMER

891.24/403 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, March 19, 1943—10 a. m.

[Received 8:21 p. m.]

285. My 273, March 15. British Ministry is informed that March loadings in United States of wheat destined for Iran will be very

³⁵ *Ante*, p. 344; see also Department's telegram No. 123, March 12, p. 342.

³⁶ Latter not printed.

small. This is disturbing since Tehran is still living from day to day and because it now appears that considerable part of the 30,000 tons for Iranian civil use will not arrive much before next harvest. To ease the situation in June could not Department arrange for tankers returning from Australia to bring back larger cargoes of wheat?

I should appreciate receiving from Department by telegraph a statement of wheat loadings from United States and Canadian ports for Iran monthly since November. This is needed to check the conflicting statistics received locally from various sources.

DREYFUS

891.24/416a

The Assistant Chief of the Division of Near Eastern Affairs (Merriam) to the First Secretary of the British Embassy (Thorold)

WASHINGTON, March 24, 1943.

MY DEAR MR. THOROLD: I should like to confirm your telephone conversation of March 15 with Mr. Jernegan. It is our understanding that the War Shipping Administration has agreed to make available an American dry cargo vessel at an Australian port at the end of March or early in April. This vessel will be able to take approximately 8,000 tons of bagged wheat for delivery at a Persian Gulf port in early May.

The War Shipping Administration asks that the port of loading be designated and that arrangements be made to have the wheat ready for loading. It is understood that you will consult the appropriate officials of the Ministry of Food and Ministry of War Transport in this regard. Unless those officials perceive some objection, they will make the necessary arrangements for purchase, delivery at the Australian port, consignment in Iran and sale to the Iranian Government, in accordance with the general procedure previously followed in wheat shipments from the United States to Iran. They will inform the War Shipping Administration direct, at the earliest possible moment, of the port selected and will work out with WSA any questions which may arise regarding payment of freight.

It is further understood that the wheat to be shipped on the vessel in question is to be regarded as in addition to any grain now planned for shipment from the United States on British-controlled vessels, on United States Army supply ships, on Russian-aid vessels, or on tankers returning from Australia to the Persian Gulf.

Sincerely yours,

GORDON P. MERRIAM

891.24/403 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, March 26, 1943—9 p. m.

147. Your 285, March 19. British agencies here, which have handled details of all wheat shipments to date, furnish following loading figures for North American ports:

November, 2,854 tons; December, 6,200; January, 4,700; February, 800; total to February 28: 14,554.

To make up for small February shipments, War Shipping Administration is arranging to provide a Liberty ship to load about 8,000 tons at an Australian port in late March or early April for arrival Persian Gulf in early May.

British further advise that tanker shipments from Australia have been as follows:

October, 803 tons; November, 878; December, 1,417; January, 797; February, (incomplete) 1,129; Total: 5,024.

Shipping authorities are understood now to have ordered complete utilization of all available tanker space, which averages about 500 tons per vessel, and it is hoped that average monthly shipments for March and succeeding months will be about 2,500 tons by this means. We are informed, however, that wheat brought by tanker is allocated first to AIOC and PAIC for their civilian employees and cannot, therefore, be counted as part of the 30,000 ton commitment to Iran. In this connection, we should appreciate information regarding arrangements in Iran for the division of wheat arriving on British and American vessels from North America or elsewhere.

March loadings from United States are still uncertain, but Department is actively working on this problem and will make every effort to see that total June arrivals in Persian Gulf are adequate.

For your information, War Department plans to send 2,000 tons wheat for General Connolly's civilian labor on a ship scheduled to clear from this country in near future. This is in addition to supplies promised Iranian Government, AIOC and PAIC.

HULL

891.24/411 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, March 31, 1943—4 p. m.

[Received 6:13 p. m.]

332. Department's 147, March 26. All wheat arriving in Iran is pooled by Middle East Supply Center. Distribution is made by Ministry of War Transport, in keeping with prearranged Middle

East Supply Center program under supervision of the PAI Forces Middle East Supply Center liaison officer. Total Iranian demands for imported wheat are about 13,000 tons monthly divided as follows:

Iranian civil 9500, AIOC 1500, and army labor 2000. Last figure includes American Army labor but General Connolly does not wish to submit to Middle East Supply Center pooling arrangement and intends to import own wheat.

A possible bottleneck in shipment of wheat is railway. Program now calls for movement from ports to Tehran of 160 tons wheat plus 100 tons other goods daily. Minister State is being asked to approve increase of wheat figure to 300 daily without reducing the 100 ton figure. Much will depend on attitude to be adopted by American Army when they assume in near future full responsibility for movements control. General Connolly and staff in their desire to move maximum possible goods to Russia have so far shown little appreciation for necessity of moving Iran's essential requirements. I am hopeful, however, they will adopt a more liberal interpretation of term "Iran's minimum needs". I do not, therefore, recommend any immediate action and will keep Department informed of developments.

DREYFUS

891.24/433 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, April 13, 1943—6 p. m.

[Received April 14—11 a. m.]

382. Russians out of a clear sky have announced they are shipping 25,000 tons wheat for consumption of people of Tehran. This will be transported by Russians down Volga via Caspian ports to Tehran and delivered [*deliveries?*] at rate of 7,500 tons a month have been promised. This gesture is beautifully timed to embarrass both British and ourselves who, despite the fact that deliveries are now being made, are felt by a great many Iranians to have failed to live up to our agreement. The political motives behind this move are shown by fact that wheat from America is arriving and it would appear that no further supplies for Tehran are necessary. If as is being suggested Russian wheat be used for Tehran and American wheat to be used in south of Iran, the Iranians in the capital will be left with impression that Russians fed them with grain and Americans and British with promises.

Iranians while highly suspicious of this sudden generosity have accepted with an expression of gratitude. Iranian official reaction is typified by Shah who in conversation with me on Monday stated frankly he wonders what Russians will now ask in return. Both British Minister and I had conversations with Soviet Ambassador

immediately previous to this announcement but neither was given any indication that such a step was contemplated. British Minister feels move is designed primarily to influence Majlis elections referred to in my airgram No. 9, March 20.³⁷

I would appreciate an indication from Department of the amount of cereals shipped to the U.S.S.R. by either the United States or Great Britain under Lend-Lease or other arrangements. Reference is made in this connection to Department's 299, October 29, 1942.³⁸

Repeated to Moscow.

DREYFUS

891.24/449 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, June 5, 1943—4 p. m.
[Received June 5—3:26 p. m.]

583. Iranian wheat crop prospects are excellent. While plantings were perhaps 10% below the average higher [apparent omission] will probably produce a crop above normal. Barring unforeseen circumstances I do not believe that it will be necessary to import wheat into Iran during crop year which begins in July.

DREYFUS

891.24/598

The Iranian Minister (Shayesteh) to the Secretary of State

No. 817

WASHINGTON, July 13, 1943.

SIR: Upon instruction of the Minister of Foreign Affairs of Iran,³⁹ I have the honor to draw the attention of Your Excellency to the difficult situation in which my country is placed as regards imports of essential requirements.

In accordance with the desire of the Governments of The United States and The British Government, a Combined Supply Committee was established at Teheran to study the civilian requirements of Iran and to fix quantities which could be supplied to her within the limitations of the tonnage space available. This Committee's decisions are, however, not final. Its recommendations are presented for approval to the Middle East Supply Center in Cairo, which in turn presents its views to London and Washington. I may state that Iran is represented on the Combined Supply Committee in Teheran but is not represented on the Middle East Supply Center in Cairo.

The method of procedure of these Committees is very cumbersome and slow. Several months pass before an application is approved

³⁷ *Ante*, p. 344.

³⁸ *Foreign Relations*, 1942, vol. iv, p. 173.

³⁹ Mohammad Saed.

and many more months until a license is issued. Even then nothing can be done until mail advice is received in Washington, which takes several more weeks. It will thus be seen that what with difficulties of securing supplies and of obtaining shipping space, almost a year will elapse before the goods reach their destination.

Thus, during the year of 1942 a quota of 35,000 odd tons was fixed for Iran, of which 20,580 tons was subsequently cancelled, leaving a balance of 15,000 tons, the greater portion of which has not yet been shipped, and the quantity which may eventually reach Iran is problematical.

As I feel sure that Your Excellency is determined to see that my country is dealt with justly, and that such a concept of fairness and justice is a fixed policy of your government, permit me to state frankly that my countrymen feel that they have not received just treatment in this respect.

The difficulties connected with the shipping situation during the past year and the early part of this year are fully patent to us, and while admitting that Military requirements are paramount, we feel that of the total quantity of civilian supplies allocated to the Near East a fair proportion has not been allotted to us. For example, I am given to understand that during 1942 about 100,000 tons of space was allotted to the Near East from this country alone, out of which only an infinitesimal quantity reached Iran, although from the point of view of her population and standard of living, Iran is entitled to a larger share than other Near Eastern countries.

Apart from this, the Military forces of three of the Nations responsible for the prosecution of the war are in Iran, and the Government and people of my country are sincerely cooperating with the United Nations.

For these reasons the people of my country expect, subject to the availability of supplies and to the shipping situation, to receive just and fair treatment in respect to the essential civilian requirements of the country. I regret to state that to the contrary this has not been the case.

For example, an American Army doctor who was loaned by the American Government to the Iranian Ministry of Health ascertained the existence of typhus in my country and foreseeing its spread recommended that one million doses of typhus vaccine be dispatched to Iran. The Cairo Committee at first approved of 5,000 doses and subsequently increased it to about double this quantity.

Actually, 100,000 doses of typhus serum for Iran were dispatched by air from the United States, but the consignment was held up in Cairo and not permitted to go forward by the Middle East Supply Center. The Supply Center sent a representative to Teheran to inquire about the spread of typhus in Iran and reported that typhus

was at that date not prevalent. Therefore the Cairo Committee thought fit to hold the serum in Cairo at its own disposal. This decision had unfortunate results which are no doubt well known to you. Typhus has spread in Iran and thousands have succumbed to it who might have been saved if the serum had not been held up in Cairo.

Your Excellency will probably be surprised to hear that the Middle East Supply Center intends to allocate only 20,000 tons to Iran for 1943 although the minimum necessary is 300,000 tons. It is obvious that such a reduction in civilian requirements creates conditions which cannot but have an unhappy result.

I will not ask Your Excellency to rely solely upon the information which I receive from my country but I would like you to make a personal inquiry of every American who has been in Iran during the year 1942 and who has witnessed the suffering of my unfortunate countrymen. Apart from the appeal to the humanitarian point of view, the people who are collaborating so eagerly with the United States and whose cooperation is so valuable at this time are expecting better treatment.

In view of the seriousness of the situation, my Government asks me to request Your Excellency to give special consideration to the matter, and bearing in mind the recent easing in the shipping situation to direct that the whole question of the quantity to be allocated to Iran should be gone into anew and a tonnage commensurate with her requirements and the improved shipping situation be allotted to her. Furthermore, that the procedure of the Combined Supply Committee of Teheran and the Middle East Supply Center in Cairo be revised with a view to speeding up the process of getting the necessary supplies to their destination.

Please accept [etc.]

M. SHAYESTEH

891.24/472

*Memorandum of Conversation, by Mr. John D. Jernegan of the
Division of Near Eastern Affairs*

[WASHINGTON,] July 20, 1943.

Participants: Commander Jackson, Executive Director of MESC⁴⁰
Mr. Hayter, First Secretary, British Embassy
Mr. Murray, PA/M⁴¹
Mr. Alling
Mr. Merriam
Mr. Jernegan

Commander Jackson, who had very recently arrived from Cairo and expected to return within a few days, said that the general supply

⁴⁰ Middle East Supply Center.

⁴¹ Office of the Adviser on Political Relations.

position in the Middle East had improved somewhat. Arrangements to meet the basic needs of most of the territories were pretty well in hand. The difficult spots, he said, were Syria and the Lebanon, Ethiopia and Eritrea, and Iran. The problem in Syria and the Lebanon was largely one of implementing a control system in the face of opposition on the part of selfish local landowners. In Ethiopia and Eritrea there were various problems, including the control of raw products, such as rubber, which the country could furnish to the war effort.

Iran, Commander Jackson said, was considered the prime problem of the entire area and was being given the most earnest consideration by the MESC. Its immediate importance was twofold, as a supply route to Russia and as the source of the petroleum products needed for the Allied forces in India and elsewhere. Both were vital and both could be safeguarded only by preventing collapse in Iran. During the past year, Iran's economy had been maintained and starvation avoided only by the narrowest of margins. At one point the situation had been saved only by the diversion to the Persian Gulf of 20,000 tons of grain destined for the Red Sea. In the end, partially thanks to the Russian shipment of 25,000 tons to Tehran, the food needs of the country had been barely met, but Commander Jackson felt that it was most unwise to operate so close to the borderline. He felt that it was short-sighted to take risks of this kind merely for the sake of saving two or three ships for other uses, and he intended to press this point in London on his way back to Cairo. For the coming year, he hoped the Ministry of War Transport and the War Shipping Administration would take a more liberal view, especially since the general shipping position was improving.

The new harvest in Iran was promising to be very large, more than 2,000,000 tons, Commander Jackson explained. Of this, the Iranian Government must gain control of 350,000 tons, in order to assure the supply of the cities until the next harvest. This could not be done, MESC felt, by any rigid, elaborate plan of organization and the promulgation of decrees; the administrative machine in Iran was too weak. The only possibility was to send out as many good men, as soon as possible, into the countryside to buy grain before it disappeared into hoards or was smuggled across into neighboring countries. Mr. Sheridan was not following this policy as yet, but Dr. Mills-paugh⁴² agreed that it was the proper one. It might appear economically and commercially an unsound procedure, but it was the only practical one MESC could visualize under the circumstances. If it were adopted energetically, Commander Jackson believed Iran

⁴² Arthur C. Millspaugh, American Administrator General of Finances in the Iranian Government; for correspondence on the Millspaugh Mission, see pp. 510 ff.

could be self-sufficient in food during the coming year, even if no large quantities of grain should be obtained from the Soviet-occupied areas.

Commander Jackson spoke repeatedly of Dr. Millspaugh as the key man and main hope of stability in Iran. He said that MESC was in close touch with him and was prepared to give him everything he asked for in the way of supplies and believed it would be possible to provide as much as Millspaugh could receive and distribute under his new economic powers. Mr. Murray said that the Department was very glad to hear this, that we agreed as to the vital importance of Dr. Millspaugh in the Iranian picture. We ourselves were doing everything possible to assist him and welcomed the interest and support of the British. Together, we should be able to carry the day, whereas alone we might not.

In this connection, Commander Jackson emphasized the importance of solving the immediate financial difficulty of the Iranian Government. He said he had had a conversation with Mr. Bernstein of the Treasury on this subject and was glad to learn that the problem was receiving attention. He was also glad to hear that additional American assistants for Dr. Millspaugh were being sent out, including a man (Lieutenant Colonel Speaks) to replace Sheridan in charge of the food administration.

With respect to supplies other than food in Iran, Commander Jackson said that the oil shortage at Tehran had been relieved; he thought cotton piece goods and sugar would come forward satisfactorily, and, with the end of the grain shortage, railroad shipping space would become available to move other miscellaneous non-food articles.

Commander Jackson spoke of the attitude of General Connolly, head of the Persian Gulf Service Command, whose policy in general seemed to ignore the civilian situation in Iran. Commander Jackson felt that MESC and the British and American Legations at Tehran should make a determined effort to enlist the interest of General Connolly in Iranian problems, through a gradual process of education in the relationship of those problems to the unimpeded movement of supplies to Russia. He cited one case in which diversion of civilian oil supplies to military movements had resulted in a stoppage of power and industrial plants in Tehran and had ultimately forced an equal diversion of military transport to replenish civilian stocks, thus nullifying the original gain to the military movements. He also spoke of the danger to the whole Allied position, military as well as political, if there should be a real internal collapse in Iran.

Mr. Murray spoke of the Russian attitude, which was not only uncooperative but indicated possible ambitions in the country. Speaking personally, Commander Jackson expressed the opinion that the Soviets

were much interested in the demonstration being provided of the utility to them of a warm-water port on the Persian Gulf, where supplies could be received the year round. He made no suggestions, however, regarding British or American policy toward the Soviets in Iran.

The relations between the British and American authorities in Iran, Commander Jackson said, appeared to have improved, although he felt that there was still room for greater understanding and cooperation.

Mr. Murray and Mr. Jernegan asked whether he could give any explanation of the reiterated Iranian complaints against MESC, especially the charges that Iran was not given equal treatment with other territories. Commander Jackson said that this complaint was common to all the territories, each one being convinced that its neighbors were better treated, and he could state positively that there was no discrimination against Iran.

Mr. Murray closed the conversation by asking Commander Jackson to keep the Department fully informed of problems as they developed, in order that we might be in a position to lend our support and have data upon which to base our representations to other agencies.

891.24/475

The Secretary of State to the Iranian Minister (Shayesteh)

WASHINGTON, September 9, 1943.

SIR: I have the honor to refer to your note no. 817 of July 13, 1943 in which, under instructions from the Minister of Foreign Affairs of Iran, you express the feeling of your Government that the existing arrangements for the supply of essential imports to Iran are inadequate. The Department has given the most careful study to this matter, and I should like to take up seriatim the important points which you have raised.

1. It is understood that your Government regards as cumbersome and slow the procedure by which the import requirements of Iran are now handled, that is, through the Middle East Supply Center at Cairo and its affiliate, the Combined Supplies Committee at Tehran. You state that there is a delay of nearly a year between the placing of an import request and the delivery of the goods in Iran.

The Department is aware that delays, unfortunately, do occur in the filling of import requests. This is a condition, however, which is not confined to Iranian supply questions but which is world-wide and is the result primarily of the inevitable necessity in time of war of imposing restrictions upon civilian production and distribution in order that military needs may have precedence. These delays are attributable to many causes, among them the difficulty of procuring

goods in the United States and other sources of supply, the slowness of both land and sea transportation under wartime conditions, and the difficulty of reconciling and assessing competing demands from numerous countries for supplies and shipping space which are insufficient to meet the desires of all.

According to the Department's information, there have also been delays on the part of Iranian merchants and governmental authorities in the clearance of goods through the Iranian custom houses and their onward transportation to centers of distribution. I am advised that there are now some 80,000 tons of merchandise in Iranian port warehouses and that this accumulation is not primarily the result of any lack of internal transportation facilities.

2. You state that during the year 1942 an import quota of 35,000 tons was fixed for Iran by the Middle East Supply Center, of which 20,580 tons was subsequently canceled, leaving a balance of 15,000 tons. You further say that the greater portion of this balance has not yet been shipped.

The Department has been informed that no quota system for imports into the Middle East was put into effect until the latter part of 1942 and that no rigid quota for Iran was established at any time. In any case, as you will recall, the operation of the Middle East Supply Center was not extended to Iran in practice until the middle of the year. During the latter part of 1942 alone, actual shipments to Iran amounted to 33,000 tons of wheat and flour and approximately 12,000 tons of other commodities. Any reduction in the original tentative program prepared for Iran was forced by a general cut in shipping space available for civilian supplies to the Middle East as a whole, a reduction made necessary by United Nations military operations the results of which are now obvious in North Africa and Sicily.

3. Your Government feels that Iran has not received a fair proportion of available supplies and shipping space, taking into consideration Iran's population, standard of living, and importance in the war effort.

On this point I can only say that the policy of the Middle East Supply Center has been to treat all countries of the Middle East equally. I know you are aware of the deep interest which this Government takes in the welfare of Iran, and this interest has been consistently reflected in the work of American officials both at home and abroad in the economic field. Every possible consideration is being given to Iranian needs, as fast as they can be accurately ascertained. In this connection, it is felt that the work of Dr. Millspaugh in analyzing the supply position in Iran is of great help, both to your Government in presenting its needs and to the American and British Governments in determining their urgency and the best means of satisfying them.

4. You mention an instance in which the Government of Iran requested the shipment of typhus vaccine from the United States to meet a threatened epidemic, and you suggest that the vaccine in question was not provided because of the intervention of the Middle East Supply Center.

I regret that this incident appears to have been the subject of misunderstanding in various quarters—misunderstanding which was unquestionably due to inaccurate reports with respect to the facts in the case. The Department was intimately connected with every step taken, and I feel that it is well to set the record straight. As you say, an American medical officer on detail in Iran recommended the despatch of a quantity of vaccine to Iran, and a request to this effect was presented by your Government. In as much as typhus vaccine is not generally available, and is in limited supply, this request was referred to the appropriate medical authorities of the United States Army in Washington, who, on the basis of the incomplete information available to them at the time, arranged the shipment by air of 100,000 doses. Following the despatch of the shipment, however, the ranking American Army medical officer in the Middle East, whose headquarters are at Cairo, made a special trip to Tehran to investigate the situation. In the light of his knowledge of conditions throughout the Middle East, he reported that the danger in Iran was not, at that time, greater than in at least two other countries where typhus was prevalent and an epidemic threatened. He further reported that it would be impossible to provide adequate vaccine to protect all of the persons in Iran who might be exposed to the disease, and he, therefore, recommended to the American Army medical authorities in Washington that the greater part of the shipment in question be held as a central pool, under American military control, for use in whatever part of the Middle East might later be found to have the most urgent need of it. In view of the rank and experience of the officer in question, and his broad knowledge of the health situation in all parts of the Middle East, the War Department authorities accepted his recommendation and instructed him to hold the shipment of vaccine at Cairo. This decision was later endorsed by the American Typhus Commission which has made a special study of the disease in the Middle East.

The point which I should like to emphasize in this matter is that all decisions, from beginning to end, were made by the appropriate American military medical authorities and were made solely upon medical grounds. I am sure you will agree that in a question of this kind scientific medical opinion is the only guide which may properly be followed, and I regard it as unfortunate that any one should have gained the impression that political or economic factors were involved in the decision under reference.

5. You state that the Middle East Supply Center intends to allocate only 20,000 tons to Iran for 1943, although the minimum necessary is 300,000 tons.

I have consulted the principal American officer of the Middle East Supply Center at Cairo, who reports that the 1943 import program for Iran, as it stands at present, is as follows: a) 22,000 tons of wheat and flour; b) 30,000 tons of sugar; c) 3,400 tons of tea; d) 150 tons of coffee; e) 15,600 tons of material supplies; making a total of 71,150 tons.

It is obvious, of course, that Iran could profitably import very much greater quantities than those listed above, but it is also too well known to require comment that virtually every country in the world today has import needs vastly greater than it is able to satisfy. I am sure that the American and British officials of the Middle East Supply Center and the Combined Supplies Committee will be very glad to consider any evidence which your Government may present to show that Iran's minimum essential needs will not be met by the present program.

6. You refer to a "recent easing in the shipping situation" and request that consideration be given to increasing the supplies and shipping space allocated to Iranian needs.

On this point I may confidently assure you that any increase in the tonnage available for the transport of civilian supplies to the Middle East will be reflected immediately in the allocation of space for Iran, as for the other countries of the area.

7. With respect to your request that the procedure of the Combined Supplies Committee at Tehran and the Middle East Supply Center at Cairo be revised with a view to speeding up the supply movement, you may be certain that the officials at Tehran, Cairo, and Washington who are concerned with these problems are constantly endeavoring to improve the method of operation in order to facilitate supply in every way possible.

Accept [etc.]

For the Secretary of State:
DEAN ACHESON

891.5018/32 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 17, 1943—2 p. m.
[Received November 18—1:10 p. m.]

1060 bis. Commander Jackson Director General of MESC here for a week studying Iran grain civil transport situation in close consultation with this Legation, British Legation, Millspaugh Mission and

MESC Tehran. Unanimously agreed outlook is doubtful and urgent steps are required to improve grain collection and transport if a crisis like last winter's to be avoided.

Efficient and reliable personnel is most critical need and Millspaugh and I feel this must be obtained where it can be found at the moment. Accordingly we have agreed to following to be effected as fast as possible:

1. MESC to try to provide 16 officers and 9 noncommissioned officers from British Army in mid-East to assist in control and operation of Iranian civil transfers. These men will be stationed at various provincial centers outside Soviet zone. They will be attached technically to MESC Tehran but will act under Millspaugh and his United States aides. They will not receive pay or allowances from Iran Government and will have no titles. Their services will be temporary and will not affect purely American character of Millspaugh Mission nor its control of Iran economic matters.

2. MESC will also provide 14 British officers to assist cereal collection and distribution in provinces outside Soviet zone. They will operate under same conditions as transport men.

3. Unless Soviets object the 8 available Americans and non-British Europeans now employed by Iran Road Transport Office will go to Soviet zone to control transport there.

4. British Minister and I will ask Soviet Chargé to arrange for Soviet officers to assist collections in northern zone in same way as it is proposed for British officers in South. If Soviets are willing to provide transport control officers also, that will be welcomed.

5. MESC will seek milling technician to increase capacity of Tehran flour mill which is now well below city's daily consumption. MESC also to seek competent accountant forward transport office to fill in pending arrival of American staff.

6. Factual reporting on grain and transport situation will be centralized thru MESC Tehran to MESC Cairo but American and British Legations will continue to report direct to their Governments on policy aspects.

7. With approval of both Legations MESC Tehran is asking MESC Cairo to prepare reserve of 10,000 tons wheat to be available for Iranian civilian consumption 6 weeks' notice. This would be called upon only as a last resort.

General Connolly has been asked to assist by lending a few trucking experts on same basis proposed for British Army officers. He has declined on ground that he has none to spare and that responsibility for conditions in Iran rests primarily with British and not at all on American forces.

Repeated to Cairo for Landis.⁴³

DREYFUS

⁴³ James M. Landis, American Director of Economic Operations in the Middle East.

FAVORABLE ATTITUDE OF THE UNITED STATES AND IRANIAN GOVERNMENTS TOWARD GRANTING AN AMERICAN OIL COMPANY A CONCESSION IN IRAN

891.6363/807 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 15, 1943—2 p. m.

[Received November 16—3:22 a. m.]

1065. Iranian Government has received telegram from Dr. Nash of the Trade and Economic Commission saying that Standard Vacuum Oil Company is interested in obtaining petroleum concession in Iranian Baluchistan.

Prime Minister ⁴⁴ has told me that he would like to see a responsible American company given such a concession and suggested that the firm should send a representative to Iran to discuss matter. He asked that a message to this effect be transmitted by Legation through Department. I have told Millspaugh ⁴⁵ informally that it would seem better to have communications confined to Iranian channels and shall express same view to Prime Minister when I see him today on another matter.

I should appreciate an expression of Department's view on general question of American firms seeking oil concessions in Iran at this time, together with any information available regarding nature of Standard Vacuum's interest.

Seems to be no doubt that Iran Government would look with favor on United States participation in exploitation of Iran petroleum but I fear there is some danger that any immediate steps in this direction, especially if supported positively by United States Government, would cause British and Soviets to suspect that our attitude toward Iran is not entirely disinterested and thus weaken our general position here.

DREYFUS

891.6363/807 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, November 23, 1943—2 p. m.

584. Standard Vacuum Oil Company has communicated with the Department in regard to its desire to send representatives to Tehran to negotiate with the Iranian Government regarding an arrangement with that Government to search for and produce petroleum in Iran, your cable 1065, November 15, and has requested the views

⁴⁴ Ali Soheily.

⁴⁵ Arthur C. Millspaugh, American Administrator General of Finances in the Iranian Government; for correspondence on the Millspaugh Mission, see pp. 510 ff.

of the Department. In a letter dated November 17 the Department advised the Standard Vacuum Oil Company that, because of the importance of petroleum, both from the long-range viewpoint and for war purposes, the Department looks with favor upon the development of all possible sources of petroleum. The Department advised that it is glad to see American companies take part in the development of these sources and in line with this view perceives no objection to the Standard Vacuum Oil Company undertaking negotiations with the Government of Iran regarding production and exploration. It was requested that prior to the conclusion of any arrangement with the Government of Iran, that Standard Vacuum advise the Department of the terms of any proposed arrangement.

HULL

891.6363/810 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, November 27, 1943—5 p. m.

[Received December 4—3 : 25 p. m.]

1070. Prime Minister told me yesterday that British Minister had informed him two British oil representatives were already here to negotiate for Baluchistan concession (my 1065, November 15, and Department's 584, November 23) on same terms as those of old Amiranian Oil Company concession.⁴⁶ I told Soheily that I had communicated with Department and I thought American oil company representatives might be expected soon. He expressed pleasure and repeated his interest in having concession go to America.

DREYFUS

891.6363/811 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, December 11, 1943—6 p. m.

[Received December 12—5 : 20 p. m.]

1110. Prime Minister today inquired whether Standard Vacuum representatives are on their way to Iran (Department's 584, November 23). He states that the British representatives are pressing him to speed up the negotiations and he does not believe that he can delay much longer.

DREYFUS

⁴⁶ The Amiranian Oil Company of New York; see *Foreign Relations*, 1937, vol. II, pp. 734 ff.

891.6363/813a : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, December 20, 1943—11 a. m.

637. The Standard-Vacuum Company has directed R. S. Stewart manager of Socony-Vacuum Cairo to proceed at once to Tehran to insure that negotiations are kept open until the arrival of Standard-Vacuum representatives who are expected to depart from United States in near future. (Your 1110, December 11)

You should render all appropriate assistance to Stewart and Standard-Vacuum representatives. Please telegraph names of British company or companies competing with Standard-Vacuum for this concession.

Please inform Prime Minister of imminent arrival of Stewart and eventual arrival of Standard-Vacuum representatives and express the hope that negotiations will be held open.

HULL

891.6363/814 : Telegram

The Chargé in Iran (Ford) to the Secretary of State

TEHRAN, December 23, 1943—5 p. m.

[Received December 24—6:58 a. m.]

1135. Interviewed Prime Minister today in accordance Department's No. 637, December 20, 11 a. m., and he stated he would hold open negotiations pending Stewart's arrival but stressed fact that British interests were becoming most importunate and urged that American representatives arrive on scene without delay prepared to present concrete proposal. He professed not to know name of British group but stated it was company newly and expressly formed for Iranian oil exploitation.

Millsbaugh reports that Prime Minister has recently approached him confidentially regarding this matter, showing him the British proposal and urging that American interests act promptly. Millsbaugh gathered impression British interests were a single individual.

Further discreet efforts are being made to ascertain name of British Company or companies.

FORD

891.6363/811 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, December 24, 1943—7 p. m.

645. Following is for background information of Legation in connection with Department's 637, December 20 and may be transmitted

to Stewart in your discretion. It traces the course of negotiations to date and establishes fact that the Standard Vacuum Company has been in touch with Iranians since February 1943 regarding an oil concession.

1. Iranian commercial attaché in Washington inquired of Standard Vacuum in February whether it was interested in a concession. Company replied affirmatively but suggested waiting because of Iranian political situation.

2. Iranian trade commission in cables of September 12 and 17 to Iranian Government reported that company was interested, mentioning especially the Iranian coastal region west of Indian Baluchistan, and asked whether Iranian Government was prepared to receive company's representatives.

3. Iranian Government in reply of October 21 to above cables expressed interest and stated further advice would be furnished when a decision was reached.

4. Iranian Minister on December 11 informed company that representative might make preparations to depart and be ready to leave on further notice. Company is ready to send representative, probably second week in January, but departure is contingent on further instructions from Iranian Minister.

5. Company states it is interested not only in coastal strip some 200 miles wide along Iran's south coast west of Indian Baluchistan but also in other area or areas inland.

6. It is possible that present activities of British oil company representatives in Tehran resulted from information given 2 or 3 months ago to the American representative of the Anglo-Iranian Oil Company by an official of the Standard Vacuum to effect that latter company was negotiating for an Iranian concession.

HULL

INTEREST OF THE UNITED STATES IN THE OUTPUT OF IRANIAN MUNITIONS FACTORIES AND IN THE IRANIAN-SOVIET ARMS AGREEMENT

891.113/18a : Telegram

*The Secretary of State to the Minister in Iran (Dreyfus)*⁴⁷

WASHINGTON, January 1, 1943—6 p. m.

1. At request War Department please make discreet inquiry and report whether British and Soviet Governments have made any agreement regarding disposition of output of Iranian munitions factories. Please give all available details.

HULL

⁴⁷ Repeated to London as telegram No. 14, January 1, 6 p. m.

891.113/18 : Telegram

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

LONDON, January 2, 1943—4 p. m.
[Received January 2—3 : 20 p. m.]

49. We have made discreet inquiry, as requested in Department's 14, January 1, 6 p. m. and learned that no agreement has been made by British and Soviets concerning output of munitions factories in Iran. The following further information which our investigation disclosed may be of interest.

When the British took Assab they found an Italian ship there loaded with machines for manufacturing machine guns destined for Tehran. This machinery had been in transit so long that, according to British experts, it would have to be considerably overhauled before it could be used. The British wanted to send it to India, repair it there and put it in operation there. The Soviets, however, who had heard of the shipment wanted it sent on to Tehran where they said it could be repaired and would be used. It was sent there about a year ago but it has not been found possible to get it repaired in Tehran.

About the same time that the Soviets approached the British about this shipment of machines, they also told the British that they would like to take steps to get the small arms factories situated in and around Tehran, which were idle, under operation. They were told that so far as the British were concerned they had a free hand to undertake this. To date, however, none of these factories according to what we have been told has been put back into operation. There is little likelihood we were also told that they will be put into operation because of the lack of raw materials and technical help which the Soviets apparently are not in a position to provide.

We gather that the British are not inclined, having once told the Soviets that they might try to get these factories operating, to make any effort now themselves to do so.

MATTHEWS

861.24/1352

*Memorandum of Conversation, by Mr. John D. Jernegan of the
Division of Near Eastern Affairs*

[WASHINGTON,] January 4, 1943.

Participants: The Minister of Iran ⁴⁸
Mr. Murray ⁴⁹
Mr. Jernegan

The Minister read a telegram which he had received from his Government to the effect that the Soviet authorities were anxious to obtain the use of various Iranian arms factories, as well as a can factory. The Iranian Government was willing to agree to this, but it would require a large sum of money, (the Minister mentioned figures that seemed to total more than 500,000,000 rials) to put the factories into producing condition. Accordingly, the Minister was directed to ask whether the United States Government, through the Lend-Lease Administration, would set up a credit of some \$30,000,000 in favor of the Iranian Government. This credit, it appeared, would be repaid out of payments made by the Russians for the products of the factories in question.

It was pointed out to the Minister that, so far as we were aware, Lend-Lease assistance always took the form of goods or services, rather than financial credit. In any case, it was not our understanding that the Iranian Government stood in any particular need of dollars, but rather had a surplus of foreign exchange. It was, therefore, difficult to understand this request for a credit. The Minister agreed that it was goods, not money, of which his country had need, and he said that he himself did not entirely understand the thought behind his instructions. He said, however, that the question had been taken up with our Minister at Tehran and with the Lend-Lease representative there, and that we would undoubtedly hear from Mr. Dreyfus within a day or two. Consequently, he did not ask that we take any immediate action.

The Minister was told that a cable touching on the general subject of arms production in Iran for Soviet use had been received some two weeks or more ago but that it had contained no specific recommendations and did not mention the opening of a credit on behalf of the Iranian Government. Mr. Murray promised to take under consideration any further word which might be received from Tehran and to advise the Minister.

⁴⁸ Mohammed Shayesteh.

⁴⁹ The Adviser on Political Relations.

891.113/19 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, January 4, 1943—6 p. m.

[Received 11:20 p. m.]

7. Department's 1, January 1, and my 421.⁵⁰ Discreet inquiries fail to reveal any agreement between British and Russians on disposition of output of Iranian arms plants and do not believe such an agreement exists. The entire production will be taken by Russians except that 12 million of the 42 million cartridges will be delivered to Iran.

Prime Minister ⁵¹ informs me Iranian Government is most reluctant to sign agreement with Russians on arms plants because (1) terms of contract are unfair since Iranians would have to pay for materials and plant outlay while Soviets would pay for finished product at their convenience; (2) factories cannot be brought into production as fast as Russians require; (3) there are many serious shortages including copper, magnesium, rolling stock, trucks, machinery, electric power, sulphur and saltpeter; and (4) huge expenditures of several hundred million rials would further aggravate Iran's delicate financial structure. Iranians are delaying in hopes of finding some way to prevent conclusion of agreement. Prime Minister states he has instructed Iranian Minister in Washington to approach Department for loan of 30 million dollars through Lease-Lend to finance the agreement.

From American viewpoint agreement seems undesirable on following grounds: (1) Arms plants are now producing copper and rolling stock replacements for Allies. This essential production would have to be abandoned if agreement were signed; and (2) American Army desires to use these plants for repairs of railway equipment and servicing of motor trucks.

Weighing all factors it would seem to be much more simple and efficient and in the interests of all parties to import arms and ammunition from the United States.

DREYFUS

891.24/344 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, January 9, 1943—11 a. m.

[Received 5:10 p. m.]

25. Prime Minister informs me his Government has signed contract with Russians by which latter take over operation of canning plant at Shaki. Eighty percent of production will be taken by

⁵⁰ Telegram No. 421, December 7, 1942, not printed.

⁵¹ Ahmad Qavam.

Russians and remainder by Iranians. Because of Iranian insistence Russians agree in slaughtering animals to consider carefully Iran's food requirements and economic needs.

Prime Minister states Iranians were reluctant to sign contract and it was done solely to appease Russians who are pressing them on other and more objectionable questions, most important of which are the financial agreement (my 446, December 17⁵²) and taking over of arms factories (my 7, January 4). Iranians are indulging in delaying tactics in these two matters but are apprehensive of carrying this policy too far.

DREYFUS

891.113/19 : Telegram

The Secretary of State to the Minister in Iran (Dreyfus)

WASHINGTON, January 13, 1943—6 p. m.

26. Following from War Department: Your cable January 4th⁵³ and information from London indicate three Iranian munitions plants in Tehran area are not now producing munitions although negotiations are under way to resume munitions operation. We also understand these plants are needed for present production rolling stock replacements and copper (of unknown form) or proposed maintenance of transportation equipment. Your cable mentions only small arms production. We wish full information as to present utilization of plants and your opinion regarding best use of each in view of requirements of Persian Gulf Service Command, Iranian army and Russians. Also wish details of proposed agreement with Russians. Following the recommendation of Military Attaché in Tehran⁵⁴ his letter October 30th we are studying possible U. S. operation of these facilities for Lend Lease purposes. Initial investigation shows that munitions output could be utilized but that saving of shipping would be negligible except for moderate saving in case of ammunition plant. Since problem has many aspects and since little information available here suggest your reply be based on consultation with Ridley,⁵⁵ Connolly⁵⁶ and Military Attaché. If you feel U. S. operation feasible and desirable please supplement Military Attaché's reports with further information regarding required equipment spare parts prim-

⁵² Not printed.

⁵³ Telegram No. 7, p. 631.

⁵⁴ Lt. Col. Joseph K. Baker.

⁵⁵ Maj. Gen. Clarence S. Ridley, assigned by the War Department to act as military adviser to the Iranian Government on matters pertaining to the Services of Supply of the Iranian Army; for correspondence on the Ridley Mission, see pp. 510 ff., *passim*.

⁵⁶ Maj. Gen. Donald H. Connolly, Commanding General, Persian Gulf Service Command.

ers and raw materials, particularly steel, copper and zinc. We understand that technical men qualified to survey such facilities and their production possibilities are available on Connolly's staff. [War Department.]

HULL

891.113/20 : Telegram

The Minister in Iran (Dreyfus) to the Secretary of State

TEHRAN, January 18, 1943—2 p. m.
[Received January 19—12:54 p. m.]

58. Department's 26, January 13. Prime Minister informs me his Government has virtually agreed to sign within a few days the contract with Russians on operation of Iranian arms plants and that final details are now being worked out. He states this action is being taken because Iranians feel they can no longer withstand Soviet pressure, backed by implied threat to cut off food and other supplies from north. He revealed, however, that terms of final agreement are less onerous for Iran than those stipulated in original draft (copy of which was sent Department with despatch no. 439, January 15⁵⁷): Iranians will receive 20% of output of plants and the financial burden on Iran has been reduced.

Generals Connolly and Ridley, Military Attaché, Kidd⁵⁸ and myself at meeting yesterday to discuss this question agreed substantially as follows:

(1) The contract cannot possibly be fully or promptly met by Iranians account lack of raw materials, technical knowledge, machinery and especially skilled labor; for same reason operation of plants by Americans is not feasible;

(2) Little if any shipping space will be saved;

(3) Plants could be used to better advantage by American Army in making spares for railways, producing copper and in maintenance of trucks;

(4) It would be more economical and efficient to import the arms and ammunition from United States.

Despite these considerations, it was felt that Iranian action in agreeing to contract makes it useless and inadvisable to examine further into possible alternative uses of plants or consider whether Russian operation is desirable. It was consensus of opinion of all except Kidd that matter must necessarily be considered closed; Kidd expressed opinion American Government should endeavor to persuade Soviets to abandon project. General Connolly stated that while these plants

⁵⁷ Not printed.

⁵⁸ Philip C. Kidd, chief American Lend-Lease representative in Iran.

would have been useful to him, he does not consider them essential since he has established other facilities at Andimeshk.

It seems not unlikely that Soviets are taking over these plants for political reasons in order to gain control of Iranian economy and entrench themselves more solidly in Iran or at least to prevent plants from falling into hands of British or Americans.

DREYFUS

891.113/21: Telegram

The Chargé in Iran (Schnare) to the Secretary of State

TEHRAN, January 28, 1943—10 a. m.

[Received 2:44 p. m.]

99. My 58, January 18. Russian Ambassador says the contract for operation of the arms plants with minor changes has been signed but that details of payment for arms and ammunition have yet to be agreed on. Copy of amendments will follow later.

SCHNARE

891.24/425

The Minister in Iran (Dreyfus) to the Secretary of State

No. 504

TEHRAN, April 2, 1943.

[Received April 19.]

SIR: I have the honor to enclose⁵⁹ (1) a translation of an agreement signed on January 23, 1943, by the Soviet and Iranian Governments by which the latter contracts to manufacture for the former certain arms and ammunition (2) a translation of appendices two and five of the agreement (3) a translation of the covering contract (4) a translation of the protocol concerning the agreement and (5) a copy of Dr. Millspaugh's⁶⁰ comments to the Minister of Commerce regarding the agreement. These enclosures were furnished me in the strictest confidence by Dr. Millspaugh. The missing appendices will be forwarded to the Department if they come into my possession. A translation of the original draft of the arms agreement was sent to the Department under cover of despatch No. 439 of January 15, 1943.⁶¹

It is suggested that this despatch be read together with my telegrams 310 of March 24⁶² and 295 of March 20⁶³ and my despatch 499 of

⁵⁹ Enclosures not printed.

⁶⁰ Arthur C. Millspaugh, American Administrator General of Finances in the Iranian Government; for correspondence relating to the Millspaugh Mission, see pp. 510 ff.

⁶¹ Not printed.

⁶² *Ante*, p. 347.

⁶³ *Ante*, p. 345.

March 27.⁶⁴ Dr. Millspaugh's comments given in enclosure five provide, I believe, convincing proof that this agreement is harmful to the financial interests of Iran. It seems particularly objectionable that Iran should be required to advance huge sums of money to finance the agreement when the Soviet Government has not yet agreed to any provision for payment for the finished products. It is generally said in informed circles in Tehran that the Iranian Government cannot possibly live up to the agreement and may be faced with paying the heavy penalties provided for in the agreement. Since one cannot accuse the Russians here of lack of practical common sense, the only conclusion to be drawn is that they signed the agreement to obtain a grip on the very heart of Iranian industry and to prevent plants and mines from falling into British or American hands. The Russians, as suggested in my despatch No 499, may well have prepared this agreement to counter British and American trade infiltration in Iran through MESC⁶⁵ and UKCC.⁶⁶

Respectfully yours,

LOUIS G. DREYFUS, JR.

⁶⁴ Not printed.

⁶⁵ Middle East Supply Center.

⁶⁶ United Kingdom Commercial Corporation.

IRAQ

DECLARATION OF WAR ON THE AXIS POWERS BY IRAQ AND ADHERENCE OF IRAQ TO THE UNITED NATIONS DECLARATION

740.0011 EW 1939/27193 : Telegram

The Minister Resident in Iraq (Wilson) to the Secretary of State

BAGHDAD, January 13, 1943—11 p. m.

[Received January 14—2: 50 a. m.]

12. In a talk late this afternoon with Nuri Pasha,¹ I learned of a communication which he was anxious for me to receive from Minister of Foreign Affairs² but concerning which it was important greatest secrecy should be taken until noon Saturday, Iraqi time, January 16. I accompanied Minister of Foreign Affairs to his Ministry and from him received following document written in English which is being transmitted through British channels to Iraqi Minister in Ankara and is to be delivered by him on Saturday, January 16 to the diplomatic representatives of Germany, Italy and Japan.

“The Government of Germany having interfered in every way and in the most open manner in the internal affairs of Iraq and having instigated and promoted open rebellion against the constitutional Government of Iraq has continued openly and without cessation her acts of hostility toward Iraq by the publication through her broadcasting stations of false rumors and lying news of vile slanders against the ruling family and of direct incitements to disaffection and dissension.

In consequence of these facts the Iraq Government declares that Iraq considers herself as being in a state of war with Germany as from midnight 16-17 January, 1943.

And whereas the Government of Italy, in partnership with the Government of Germany has been guilty of the same acts of interference in Iraq's internal affairs and of severe provocation toward Iraq right up to the present time, the Government of Iraq declares that Iraq considers herself as being in a state of war with Italy as from midnight of 16-17 January, 1943.

And whereas the Government of Japan flagrantly violated the rules of neutrality by assisting the Governments of Germany and Italy in their interference in the internal affairs of Iraq and has since openly joined them in their acts of provocation against Iraq, the Government of Iraq declares Iraq to be in a state of war with Japan as from midnight of 16-17 January, 1943.

¹ Nuri as-Said, Prime Minister of Iraq.

² Abd-ul-Ilah Hafidh.

Signed Abdul Ilah Hafidh, Minister for Foreign Affairs of the Government of Iraq."

The Minister of Foreign Affairs requests Department to acquaint Iraqi Minister in Washington³ with above text, a résumé of which they are cabling him tonight.

The Minister of Foreign Affairs then delivered to me a note written in Arabic of which the following approaches his own English translation as read to me by him.

"Monsieur le Ministre, I have the honor to inform you that with reference to the Iraqi Government's declaration that it is in a state of war with the three Axis Powers, we have authorized our Minister in Washington to sign in the name of the Government of Iraq the Declaration of the United Nations signed at Washington on January 1, 1942⁴ for the adherence of Iraq to that Declaration. Please communicate this to your respected Government. I avail myself, et cetera."

He considers this to be full authority of Government of Iraq to its Minister in Washington to adhere to United Nations pact and will be recognized by him as confirming instructions already cabled him.

WILSON

740.0011 EW 1939/27193 : Telegram

The Secretary of State to the Minister Resident in Iraq (Wilson)

WASHINGTON, January 15, 1943—4 p. m.

16. Your telegram No. 12, January 13, 11 p. m. We are notifying Chinese and Soviet Governments of Iraq's intention to adhere to United Nations Declaration. In a very few days we expect formally to accept adherence. Meanwhile there should be no announcement anywhere that Iraq is asking to adhere to the Declaration.

HULL

740.0011 EW 1939/27194 : Telegram

The Minister Resident in Iraq (Wilson) to the Secretary of State

BAGHDAD, January 15, 1943—6 p. m.

[Received 11:36 p. m.]

15. Personal for the Secretary and Under Secretary. The announcement will be made in Baghdad during the forenoon on Saturday, January 16, and from London at eleven hours (GMT)⁵ that a state of war will exist between Iraq, Germany, Italy, Japan at mid-

³ Ali Jawdat.

⁴ *Foreign Relations*, 1942, vol. I, p. 25.

⁵ Greenwich Mean Time.

night January 16–17 (you have unquestionably been made aware of the contents of my telegrams number 12, January 13 and number 13, January 14 [15] ⁶).

In line with the above circumstances Nuri Pasha in his capacity of Prime Minister of Iraq requests me to transmit for him with least possible delay the following telegram from him to the President:

“Dear Mr. President, As the Government of Iraq have announced that a state of war exists between [Iraq and] Germany, Italy and Japan, I have the honour to inform you of my Government’s desire to accede immediately to the Twenty-six Powers Pact signed at Washington on January 1, 1942.

The Iraqi Minister in Washington has been instructed accordingly and I shall be very grateful Mr. President if you will afford him all possible help and advice in carrying out his high duty.”

WILSON

740.0011 EW 1939/27334 : Telegram

The Minister Resident in Iraq (Wilson) to the Secretary of State

BAGHDAD, January 20, 1943—7 p. m.

[Received January 21—9:43 a. m.]

21. Legation’s 18, January 18⁷ and Department’s 16, January 15. Government controlled press now busy explaining to local populace meaning (or lack of meaning) of Iraq’s declaration of war on Axis. Nuri’s speech to Chamber of Deputies on January 16 took the following line of logic: (1) Future interests of Iraq and other Arab states required Iraq’s adherence to United Nations Declaration. (2) Pre-requisite to such adherence is state of war between Iraq and Axis. Therefore Iraq has declared war in order to join United Nations in order to secure its own post-war interests and those of the other Arab states.

Local papers today carry officially inspired articles quashing street corner rumors that Iraqi Army will be sent abroad to fight Axis or that general mobilization can be expected. Press stresses fact that Iraq’s only commitments in becoming a member of the United Nations are those which she already has pledged under the Anglo-Iraqi treaty of alliance⁸ and the League Covenant and that she has assumed no new burdens by the declaration of war.

WILSON

⁶ Latter not printed.

⁷ Not printed.

⁸ Signed at Baghdad, June 30, 1930, *British and Foreign State Papers*, vol. cxxxii, p. 280.

740.0011 EW 1939/27194 : Telegram

The Secretary of State to the Minister Resident in Iraq (Wilson)

WASHINGTON, February 2, 1943—1 p. m.

34. Your telegram No. 15, January 15, 6 p. m. Please deliver the following message from the President to the Prime Minister :

"I have received your message in which you ask that the Iraqi Minister at Washington be given all possible assistance in carrying out his duty with respect to your Government's desire to adhere at once to the Declaration by United Nations. That adherence has been accepted and the Secretary of State has sent a note to the Iraqi Minister⁹ welcoming Iraq into the ranks of the United Nations.

I wish to express to you my personal gratification that Iraq is now formally aligned with the United Nations in their task of ridding the world of the Axis menace to peoples everywhere."

HULL

GRANTING OF JUDICIAL AND FISCAL PRIVILEGES ENJOYED BY UNITED KINGDOM ARMED FORCES UNDER THE TERMS OF THE ANGLO-IRAQI TREATY OF 1930 TO THE ARMED FORCES OF THE UNITED STATES

740.0011 EW 1939/26512 : Telegram

The Minister Resident in Iraq (Wilson) to the Secretary of State

BAGHDAD, December 14, 1942—4 p. m.

[Received December 15—9:45 a. m.]

290. 1. Lieutenant General Andrews¹⁰ and General Connolly¹¹ paid brief visit to Baghdad Saturday and discussed with me their apprehensions concerning present lack tribunal jurisdiction of army in cases involving uniformed and civilian American personnel of War Department who commit offenses against Iraqi citizens.

2. My understanding is that in the absence of a treaty with specific provisions such cases will come before Iraqi courts but that in the event the Iraqi Government declares war and signs the United Nations pact¹² (my telegrams 277 November 18, 6 p. m., and 281 November 24, 2 p. m.¹³) thus becoming an ally our forces without more ado

⁹ For the exchange of notes on January 16 and January 22 between the Iraqi Minister and the Secretary of State concerning the adherence by Iraq to the Declaration of the United Nations, see Department of State *Bulletin*, January 23, 1943, p. 83.

¹⁰ Lt. Gen. Frank M. Andrews, Commanding General, U.S. Army Forces in the Middle East.

¹¹ Maj. Gen. Donald H. Connolly, Commanding General, Persian Gulf Service Command.

¹² The United Nations Declaration, signed January 1, 1942, *Foreign Relations*, 1942, vol. i, p. 25.

¹³ Neither printed.

automatically would enjoy all privileges, immunities et cetera to which British forces are entitled under the Anglo-Iraqi treaty of Alliance.¹⁴

3. I would greatly appreciate Department's comment on the above with special regard to procedure to follow in the event the Iraq Government does not decide upon a declaration of war.

WILSON

740.0011 EW 1939/26512 : Telegram

The Secretary of State to the Minister Resident in Iraq (Wilson)

WASHINGTON, December 31, 1942—7 p. m.

254. Your 290, December 14. Please inform Department of basis for your understanding that American forces in Iraq will enjoy immunity from local jurisdiction in the event that Iraq becomes a belligerent.

In the meantime please informally suggest to Iraqi authorities that this Government desires exclusive jurisdiction in criminal matters over members of its armed forces in Iraq and that it considers that it has a right to such jurisdiction under international law but that if the Iraqi Government feels that the matter should be the subject of agreement between the two countries, this Government will be glad to propose an informal exchange of notes containing such an agreement.

HULL

740.0011 EW 1939/26911 : Telegram

The Minister Resident in Iraq (Wilson) to the Secretary of State

BAGHDAD, January 2, 1943—10 p. m.

[Received January 3—11:42 a. m.]

1. Reference paragraph 1 Department's 254, December 31. The Minister of Foreign Affairs¹⁵ said as much to me on December 17. Reference my despatch No. 126, December 23,¹⁶ which enclosed memorandum of conversation with him on this and unrelated subjects. From British Embassy sources I learned in November that in conversation held with Nuri Pasha¹⁷ the latter expressed the opinion that

¹⁴ Signed at Baghdad, June 30, 1930, *British and Foreign State Papers*, vol. CXXXII, p. 280.

¹⁵ Abd-ul-Ilah Hafidh.

¹⁶ Not printed.

¹⁷ Nuri as-Said, Prime Minister of Iraq.

“once Iraq had joined the pact the United States would automatically become an ally which would enable their forces in this country to enjoy without further ado all privileges, immunities, et cetera, to which British forces are entitled under the Anglo-Iraqi Treaty of Alliance.” I myself have been skeptical but willing of course to accept this reasoning without too much question if Iraqi Government saw that way.

Nuri returned from Egypt this afternoon. Will report on other matters mentioned in Department's telegram soon but I am a little inclined at present to await developments of next few days before approaching Government again either formally or informally.

WILSON

740.0011 EW 1939/26512 : Telegram

The Secretary of State to the Minister Resident in Iraq (Wilson)

WASHINGTON, February 10, 1943—4 p. m.

44. Department's 254, December 31. Please report whether question of criminal jurisdiction over members of our forces in Iraq has been discussed with Iraqi Government, and if so, with what result.

HULL

740.0011 European War 1939/27915 : Telegram

The Minister Resident in Iraq (Wilson) to the Secretary of State

BAGHDAD, February 13, 1943—6 p. m.

[Received February 13—5:45 p. m.]

63. Reference to Department's telegram No. 44, February 10, 4 p. m. Please refer to my telegram No. 1, January 2, 10 p. m. I have never anticipated any difficulty arising from United States Army exercising its tribunal jurisdiction once Iraq declared war and adhered to the United Nations pact but was skeptical as to any sound basis for this under international law.

Nuri Pasha told me today that his Government will introduce in Parliament next week legislation having for its purpose granting to the United States (and all Allied Nations) the immunities and privileges both jurisdictional and fiscal which the British enjoy under the Anglo-Iraqi Treaty of Alliance of June 30, 1930, such to operate for the duration of the war. It was something of this kind I had in mind when I had my talk with the Minister for Foreign Affairs in December

last (reference page 2 of enclosure to my despatch No. 126, December 23, 1942.¹⁹)

Will report progress.

Repeated to Basra.

WILSON

890G.24/82 : Telegram

The Minister Resident in Iraq (Wilson) to the Secretary of State

BAGHDAD, March 17, 1943—10 p.m.

[Received March 18—1:47 p. m.]

113. Department's telegram number 15, January 15, 2 p.m.¹⁹ Iraqi law promulgated March 7 gave Iraqi Government rights to grant to forces of United Nations for the period of their presence in Iraq for purposes of present war the judicial and fiscal privileges enjoyed here by British forces under paragraph number 2 of annexure to Anglo-Iraqi Treaty of Alliance of July [June] 30, 1930. Text of law forwarded by pouch today.

Iraqi Ministry for Foreign Affairs states in a note addressed to Legation today that "in view of the existence of American forces in Iraq for the purpose of the present war the Government of Iraq has decided to grant these forces the right of enjoying the immunities and privileges provided in the 'law extending the immunities and privileges mentioned in the treaty of alliance concluded between Iraq and Great Britain number 24 of 1943' during their sojourn in Iraq for the same purpose." Reference is made to law of March 7, cited in paragraph 1 above.

Although I have discussed the matter with the Foreign Minister he is not yet clear as to whether the Government of Iraq can make the effect of this law retroactive to cover the past as well as the present and future war activities of the American forces in this country. I believe that the problem of exemption of Lend-Lease goods in transit from transit duties may be solved from now on by application of the present grant of immunities and privileges but the question of goods passed in transit prior to the effectiveness of the law remains open. It will be noted that the paragraph 2 of the annexure to the Anglo-Iraqi treaty of 1930 mentions specifically that the immunities and privileges include "freedom from taxation".

Repeated to Basra.

WILSON

¹⁹ Not printed.

NEGOTIATIONS FOR THE CONCLUSION OF A LEND-LEASE AGREEMENT
BETWEEN THE UNITED STATES AND IRAQ

890G.24/110

*Memorandum of Conversation, by Mr. Merrill C. Gay of the Division
of Commercial Policy and Agreements*

[WASHINGTON,] August 9, 1943.

Participants: The Minister of Iraq²⁰ and his aide
Mr. Fowler, TA²¹
Mr. White, TA
Mr. Gay, TA

Mr. Fowler briefly explained to the Minister that the United States Government customarily enters into a formal lend-lease agreement with those countries which have been declared eligible for and have been receiving lend-lease assistance, and that since Iraq meets these conditions it was felt to be appropriate at this time that we enter into such an agreement with Iraq. It was further explained that the agreement which we proposed was the same as the British master lend-lease agreement²² and that the accompanying notes to be exchanged²³ were similar to those being offered to other Near Eastern countries.

The Minister stated that he would like to take the drafts for study and consultation, and that he would, as soon as feasible, inform us of his views with respect to them.

890G.24/112a

The Department of State to the Iraqi Legation

AIDE-MÉMOIRE

As the Government of Iraq is aware, on February 23, 1942 this Government concluded a lend-lease agreement with the United Kingdom pursuant to the provisions of the Lend-Lease Act of the United States of March 11, 1941,²⁴ and has since concluded similar agreements with China, the Soviet Union, Belgium, Poland, the Nether-

²⁰ Ali Jawdat.

²¹ Division of Commercial Policy and Agreements.

²² Signed at Washington February 23, 1942; for text, see Department of State Executive Agreement Series No. 241, or 56 Stat. (pt. 2) 1433; for correspondence regarding negotiation of this agreement, see *Foreign Relations, 1942*, vol. I, pp. 525 ff.

²³ Not printed.

²⁴ 55 Stat. 31.

lands, Greece, Czechoslovakia, Norway, Yugoslavia and Liberia. Australia and New Zealand also have accepted the principles of the agreement with the United Kingdom. These agreements seek to state as accurately as is now possible the basis on which aid under the Act is furnished, and to assure the greatest possible degree of cooperation in the task of post-war economic reconstruction through agreed action open to participation by all other like-minded nations.

After careful consideration in the light of the Lend-Lease Act and of the policies developed thereunder, this Government believes that a lend-lease agreement with Iraq similar to the agreements with the United Kingdom and other nations would be mutually advantageous. Accordingly, there is attached for the consideration of the Iraqi Government a draft of text of such an agreement, and of an accompanying exchange of notes.²⁵ In the examination of these documents the following points may be noted:

1. The text of the proposed agreement is the same in substance as that signed between the United States and the United Kingdom.

2. The draft exchange of notes sets forth somewhat more specifically than the master agreement the terms of payment for goods and services furnished to Iraq under the Act of March 11, 1941. They also include a paragraph with respect to the disposition after the present war of certain installations on Iraqi territory. It is believed that the proposed collateral exchange of notes would be flexible enough in practice to meet all possible contingencies without causing undue hardship to either party to the agreement.

3. With reference to the conversation contemplated by Article VII of the proposed new agreement looking forward to agreed action "directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods" and to the attainment of the other objectives stated in the Article, the Government of the United States would be prepared to enter into informal and exploratory discussions at the convenience of the Iraqi Government.

A copy of the lend-lease agreement with the United Kingdom referred to in the first paragraph, and a copy of the Joint Declaration made on August 14, 1941, referred to in Article VII of the draft agreement submitted herewith, are enclosed for convenient reference.²⁶

WASHINGTON, August 9, 1943.

[Iraq took no further action toward signing the Lend-Lease Agreement during 1943. It was signed on July 31, 1945.]

²⁵ None printed; copies of these documents were sent to the Legation in Iraq on August 10, 1943.

²⁶ Enclosures not attached to file copy; for text of the Joint Declaration by President Roosevelt and Prime Minister Churchill (the Atlantic Charter), see *Foreign Relations*, 1941, vol. I, p. 367.

REPRESENTATIONS ON BEHALF OF AMERICAN INTERESTS IN THE
IRAQ PETROLEUM COMPANY IN THE COMPANY'S NEGOTIATIONS
WITH THE GOVERNMENT OF IRAQ FOR THE REVISION OF ITS
BASRA CONCESSION

890G.6363/387 : Telegram

The Secretary of State to the Minister Resident in Iraq (Wilson) ²⁷

WASHINGTON, February 12, 1943—9 p. m.

47. Please present the following, embodied in a formal note, to the Iraqi Government immediately :

"The Near East Development Corporation, an American corporation which participates in the ownership of the Iraq Petroleum Company, has informed the United States Government that the Basrah Petroleum Company, a wholly-owned subsidiary of the IPC, is considered by the Iraq Government to have failed on November 29, 1941, to have carried out certain requirements of its concession relating to development of the Basra area which were necessary to be fulfilled by that date to maintain the concession in force. The American Government is informed that despite the Iraqi Government's attitude as reported above, the Iraqi authorities nevertheless called on the Basrah Petroleum Company on January 1, 1942, for the payment of 200,000 pounds gold, representing ground rent for the concession covering the calendar year 1942. The Company acceded to the Iraqi Government's demand, as an act of good faith to demonstrate its readiness to perform any proper act within its power under the terms of the concession.

The American Government is now informed that on January 1, 1943, the Government of Iraq made a further demand on the Basrah Petroleum Company for payment of ground rent covering the calendar year 1943.

It is understood that the company has entered a claim of *force majeure* as reason for its temporary inability to continue the development of the area, and that the Iraqi Government has denied the validity of this claim.

Regardless of the validity or non-validity of the claim of *force majeure*, the American Government is of the considered opinion that the action of the Government of Iraq in demanding and accepting payment of ground rent on January 1, 1943 and its action in demanding ground rent on January 1, 1943 are inconsistent with any claim that the concession is void.

In view of the fact that the Iraqi Government's draft for 200,000 pounds gold, covering alleged ground rent due January 1, 1943, is payable on or before March 31, 1943, the American Government hopes to receive an early assurance from the Government of Iraq that the acceptance of this payment by the latter will constitute recognition that the concession remains valid.

In connection with the American Government's decision to lend its diplomatic support to the Near East Development Corporation in the present matter, it may be pointed out that the position of this Corporation in the Iraq Petroleum Company is not regarded by the Ameri-

²⁷ Repeated to London in Department's telegram No. 1078, February 17, midnight.

can Government merely as that of a stock holder in a foreign corporation. As the Iraqi Government is aware, the American Government insisted, during the period following the first World War, that in the interest of international comity and in the interest of Iraq, no restrictions should be imposed upon the development of the petroleum resources of Iraq which would tend to limit the participation in that development to the citizens of any particular foreign state or states.²⁸ In other words, the American Government advocated in this matter the principle of equality of opportunity for the citizens of all nations. The American Government concurred in the participation by American interests in the Iraq Petroleum Company on the basis of an agreement that the various foreign interests would be entitled to receive their proportionate share of the oil available to the Iraq Petroleum Company for export, and not merely to a participation in any financial profits which the company might earn. The Iraq Petroleum Company is in the nature of an international partnership, and the American Government's support of the Near East Development Corporation is predicated on that basis."

At the time of the presentation of the note, you are requested to present orally to Nuri Pasha ²⁹ the following considerations:

The American Government has reached its decision to support the Near East Development Corporation in this matter after most serious study, and with what it believes to be the genuine interests of Iraq prominently in mind. It is our considered view that Iraq's continued demand for an acceptance of substantial ground rent payments for a concession which Iraq alleges to be void is warranted neither in law nor in equity.

The American Government is frankly disturbed, moreover, by reports that the Government of Iraq may even seek to take advantage of the situation by demanding a very substantial additional cash payment or recoverable loan from the Iraq Petroleum Company at this time, over and above the ground rent, in exchange merely for an agreement by Iraq that the concession remains valid. By the acceptance of ground rent, Iraq has eliminated any further question of the validity of the concession, notwithstanding any disclaimers the Iraqi Government may make at the time of acceptance.

As regards the terms of the Basrah concession, which is a separate and distinct matter from the question of the present validity of the concession, the American Government, on the advice of petroleum and fiscal experts, sincerely believes that it would be in the interests of the Iraqi Government to render the concession commercially competitive with those of certain other concessions in the Near East. It will be financially and economically beneficial to Iraq for the concession to be developed fully. Such development can take place only

²⁸ For previous correspondence relating to this subject, see *Foreign Relations*, 1927, vol. II, pp. 816 ff.

²⁹ Nuri as-Said, Prime Minister of Iraq.

if the terms of the concession are altered. The American Government has been informed by the Near East Development Corporation that the American interests in the Iraq Petroleum Company are prepared to approve such reasonable payment as the Iraqi Government may consider that it is entitled to receive in exchange for such revision.

The Department regards this matter as both important and urgent. For your own information, the Department understands that Mr. Skliros, Managing Director of the Iraq Petroleum Company, has departed from London en route to Baghdad, to undertake negotiations on behalf of the company. It is particularly important that you make known clearly to Nuri Pasha the position of the American interests regarding the revision of the terms of the concession. It is possible that Mr. Skliros may not be sufficiently impressive in this regard, since some of the participants in the IPC do not have the same urgent interest in the development of the Basra area as the American company.

It is understood that Mr. Skliros will undertake negotiations regarding the Mosul as well as the Basra concessions. The considerations discussed in this telegram pertain with equal force, *mutatis mutandis*, to the interests of the Near East Development Corporation in Mosul Petroleum, Ltd.³⁰ The continued acceptance by Iraq of ground rent payments by the Mosul Petroleum, Ltd. is likewise regarded as constructive acceptance by Iraq of the continued validity of the Mosul concession.

HULL

890G.6363/393 : Telegram

The Minister Resident in Iraq (Wilson) to the Secretary of State

BAGHDAD, February 24, 1943—6 p. m.

[Received February 25—2: 23 p. m.]

77. Department's 47, February 12. In a talk with my British colleague³¹ last evening I learned that his information is to the effect that arbitration in this case has been decided upon and that Skliros left England around February 19 with power to act as arbitrator on behalf of company interests. Furthermore that the Iraqi Government had appointed the present Minister of Foreign Affairs Abdul Ilah Hafidh to act as arbitrator for them. No referee has yet been decided upon and the Ambassador feels that the company does not wish to submit to arbitration if this can be avoided but Skliros is being put in a position to do so if unable otherwise to reach an agreement.

³⁰ Successor to the British Oil Development Company, Ltd. (B.O.D.).

³¹ Sir Kinahan Cornwallis.

In view of the above I think it advisable to summarize the memorandum of my conversation with Nuri which formed the enclosure to my despatch No. 187 of February 17³² which left in last week's pouch. I have not yet had the promised reply to my note delivered to Nuri at that time when I expressed orally considerations embodied in second, third and fourth sections of telegram under reference.

Begin Summary.

Nuri has definite prejudice on subject. He asserts that he has always felt that Basra area is distinctly different from Mosul and Baghdad vilayet concessions and that he has always hoped to keep Basra as national oil reserve. He never approved of grant of BPC³³ concession. However now that concession has been given he opposes any revision which he feels could only result in detriment to Iraq.

He is aware of Skliros' forthcoming visit but is not acquainted with nature of proposals for revision.

Nuri says that validity of BPC concession can be kept alive by continued payment of 200,000 gold pounds per annum as ground rent plus further payment of like sum to Iraqi Government annually as forfeit for not fulfilling drilling requirements. *Force majeure* claim is denied by Nuri because drilling operations have been prevented by external causes namely British Government (failing to send certain plans and live up to requirements) and BPC claims should be presented to British Government for compensatory action.

Nuri professes to be perfectly prepared to go to arbitration and says he does not understand why American interests are unwilling.

If settlement by arbitration is not desired Nuri is willing to waive this upon payment to Iraq Government of additional 200,000 pounds annually as above stated as company's forfeit for not drilling. Nuri feels that company will easily recover this from output of wells when drilling finally begins and in end thinks that the financial loss to the company would be only the amount of 5 percent annual interest on the 200,000 pounds additional. He said same thing was done in Mosul B.O.D. concession in 1930 for 3 years and claimed that he is asking only for same treatment as was given then.

In short, Nuri's position is that in addition to annual payment of ground rent BPC owes Iraqi Government development of concession area and royalties accruing from such development. If ground rent alone is paid annually concession is perhaps not wholly invalidated but is left undeveloped while other interests are prevented from developing it to Iraq's advantage.

Nuri agrees with open door policy and competitive enterprise and does not want to tie up resources of Iraq in restricted field. Revision of concession means for him only one thing—an effort by concessionaires to avoid penalties for defaults such as the present. By simple payment of ground rental one concession development could be held up indefinitely. He cannot see that conditions vary much today from what they were when concession was negotiated. *End of summary.*

³² Not printed.

³³ Basrah Petroleum Company.

For the Department's very confidential information there seems to be a probability of a Cabinet reshuffle in the near future which without changing the Prime Minister will take Abdul Ilah Hafidh, now Minister of Foreign Affairs, to the Portfolio of Finance and the present Minister of Finance ³⁴ to the Ministry of Interior which portfolio he once held and asked [*Askari*]³⁵ either back to Cairo as Minister Plenipotentiary (which is his preference) or given the Portfolio of Foreign Affairs. The above, of course, is only tentative and has not yet been made public.

WILSON

890G.6363/390 : Telegram

*The Acting Secretary of State to the Minister Resident in Iraq
(Wilson)*

WASHINGTON, March 11, 1943—9 p. m.

54. Your 77, February 24, 6 p. m. The Department wishes you to emphasize to Nuri Pasha again that the American Government's support of the American interests in the Iraq Petroleum Company in this matter is based on the injustice of the Iraqi Government's action in receiving and demanding full ground rent for an oil concession while simultaneously refusing to admit that the concession is fully valid. Nuri's statement that if ground rent is paid annually the concession is perhaps not "wholly" invalidated is not sufficient. If the concession is valid, ground rent is due. If it is not valid, no such rent is due. There can be no equivocation on this point, and no room for doubt should be allowed to remain in Nuri's mind regarding the American Government's position in this respect.

The Department is aware that the Iraqi Government will lose anticipated revenue by the deferment of the development of the concession, and the American interests involved are prepared to discuss the subject of an adequate adjustment in this regard. It would not serve any useful purpose, however, to discuss these matters as long as the Iraqi Government demands rent without conceding validity.

The fact that Nuri continues to show opposition to the concession is not encouraging as far as the American interests are concerned, who may well gain the impression that they are being led on to pay more and more money, in addition to the large sums they have already spent, to keep alive a concession when there may be no genuine desire on the part of Nuri that the concession be developed. The interests concerned quite frankly wonder, in view first of Nuri's demand for ground rent without conceding validity and second of Nuri's desire for

³⁴ Salih Jabr.

³⁵ Tahsin al-Askari, Minister of the Interior.

increased revenue while admitting a preference for retaining the area as a national reserve, whether they are being asked to send good money after bad.

As regards the terms of the concession, the Department desires to emphasize again that American interests strongly favor the development of the Basra area, but are convinced that this will not be possible without some revision. However, British interests, as represented by the Anglo-Iranian Oil Company, may not desire revision. They may prefer to limit oil production in Iraq to the Kirkuk area, where Anglo-Iranian enjoys an overriding royalty. Moreover, it may well be that the Anglo-Iranian interests in IPC are not anxious to develop production in the Basra area since such production would presumably compete with production in Iran. Skliros is thought to favor the British desires and it is consequently feared that he may not genuinely seek a revision of the Basra terms to make the concession commercially competitive. The Department must therefore depend on you as the representative of American interests to emphasize direct to Nuri the genuine and particular American desire to develop the area. If Nuri wants to retain the area as a national preserve and consequently does not wish to see it developed, he should say so in all honesty, so the American companies will know where they stand. If, however, he would like Iraq to acquire the revenue to which Iraq is rightfully entitled from this area, he may do so by encouraging the American point of view. This can be accomplished by rendering the Basra area competitive with other areas in which the Anglo-Iranian has a dominant interest.

The Department wishes you to continue to press this matter to a successful conclusion.

WELLES

890G.6363/394 : Telegram

The Minister Resident in Iraq (Wilson) to the Secretary of State

BAGHDAD, March 15, 1943—6 p. m.

[Received 10:15 p. m.]

109. Department's 54, March 11. As desired by the Department I had another talk with Nuri yesterday and gave further emphasis to the reason for the American Government's support of the American interests in the IPC as well as to the American point of view set forth in Department's telegram under reference and in Department's 47, February 12. Nuri has not been left unaware of the American point of view and in some respects sees eye to eye with it. Especially is this so in his desire to see the Basra Petroleum Company's concession developed and its output placed on a basis which allows it to be com-

petitive with the output of other areas in which Anglo-Iranian has a dominant interest. There appears to be some misconception of this in Department's telegram 54. Another apparent misconception is Nuri's opposition to the concession itself. I think this may be because the Department has not yet received my despatches 213 of March 3, 224 of March 9 and 226 of March 10.³⁶ When these are received I think clearer understanding will result. Although Nuri holds to his own interpretation of *force majeure* he has agreed to settle present differences by friendly agreement and has no intention of invalidating the concession therein if consistency in his stand but I feel perfectly certain the Iraq Government does not want to invalidate this concession and very likely never did want to do so.

With regard to revision Nuri is determined in his stand that the present is not the time to undertake it. He is not against revision as such and when the war is over he states he will not be found unwilling to listen for revising the concession and the question of pooling as well. But at the present time he will not do so. And when revision is undertaken he expects to get greater advantages for Iraq than he has now.

Skliros as authorized negotiator for the oil groups had his first talk with Nuri a week ago yesterday and on March 9 submitted to Nuri his proposals which Nuri has turned over to the Council of Ministers where they are now being considered. I am uninformed of the terms proposed for this settlement save that it is by agreement and not arbitration; that a sum of money (amount unnamed to me) is offered to Iraq Government, compensation for loss of revenue from deferred development and some sort of "moratorium" asked which will extend for a period of 2 years after the last Axis power has signed the armistice. Other features of the proposals I know nothing about and feel it would be unwise for me to attempt at this stage of negotiations to ask for details.

WILSON

890G.6363/402

The Minister Resident in Iraq (Wilson) to the Secretary of State

No. 234

BAGHDAD, March 16, 1943.

[Received April 12.]

SIR: I have the honor to acknowledge the receipt of the Department's telegram No. 54 of March 11, 9 p. m. and to refer to my telegram No. 109 dated March 16 [15], 6 p. m. which was sent in reply thereto. Both of these telegrams refer to the oil concession of the Basra Petroleum Company and to my conversations with the Iraqi Prime Minister, Nuri as-Said, on the subject.

³⁶ None printed.

As soon as it was possible after the receipt of the Department's telegram above referred to, I arranged for a meeting with the Prime Minister and on Sunday morning, March 14th, at 12:45 I went to his office for the purpose of giving further emphasis to those points which the Department seems to fear had not been placed before Nuri. I am enclosing a memorandum of my conversation with the Prime Minister³⁷ from which it will be seen that, although in agreement with the American point of view in some important respects, Nuri Pasha is nonetheless determined to hold to his own interpretation of the claim of *force majeure*. As I have stated in the memorandum, I feel the difficulty here is not that Nuri is holding with stubbornness to his own interpretation and refuses to see the implied inconsistency of his action in order at some future date to take advantage of this point and invalidate the concession; I am inclined to think that it is more a difficulty of language which prevents Nuri from capturing the underlying principles of the American point of view—notwithstanding his highly adequate command of the English language. And yet, it is quite possible that I am mistaken in this; his refusal may be based upon political grounds which prevent him from giving the slightest appearance of having withdrawn from a stand he has so stubbornly held to after having in the first instance initiated an arbitration which he did not in fact want to enter upon.

When my other despatches to which my telegram No. 109 above referred to have arrived I believe a clearer understanding of what has transpired will result. On the other hand, I am myself uncertain as to the Department's full meaning of the last sentence in its No. 54 of March 11, 9 p. m.: "The Department wishes you to continue to press this matter to a successful conclusion." As I see it, the only successful conclusion I could possibly achieve, now that a negotiator with powers to arbitrate has been sent out by the combined oil groups with full authorization and recognition as well, would be to place before the Prime Minister the American point of view which has been so ably defined by the Department in its various telegrams on this subject. I have not failed in this, but, lacking the power to negotiate, (which arrangement would presumably have to be recognized by the Iraq Government as well as the oil interests,) I do not see the possibility of my changing the course of the negotiations which are now under way and in all likelihood at a very delicate stage.

The contents of the despatches I have sent to the Department will acquaint them with the fact that I have not been hesitant in discussing

³⁷ Not printed.

this matter with those concerned whenever I felt such discussions would bear weight. Aside from the Prime Minister I have talked with Abdul Illah Hafidh, the Minister of Foreign Affairs who was appointed arbitrator by the Iraq Government vis-à-vis Skliros, and with Skliros as well. Another handicap I have had to face which adds to the uncertainty of my position is the fact that my talks in the interests of the American Company are not entirely welcomed by any of those concerned. Despite my explanations that the basis upon which is founded my Government's support of the Near East Development Company is their contention that the Iraq Petroleum Company is itself in the nature of an international partnership, both Nuri and Abdul Illah Hafidh have not failed mildly to express regret that my Government "took such an interest" (interfered with was the unavoidable intimation) in a question which in their opinion is one between the Iraq Petroleum Company and the Iraq Government. Skliros, although not discourteous, has been nonetheless emphatic in this view, and it is of some significance that the British Embassy appears not to be entering into any of the present negotiations at all. The Ambassador told me Sunday night that he had not seen Skliros or talked with him since the preceding Tuesday.

Notwithstanding all of this I have not hesitated to hold firmly to the American point of view as outlined by the Department. Skliros has been particularly quick to invite my attention to the fact that although certain American interests (the Near East Development Company) feel concerned on certain points, they nonetheless speak as a minority and as such have sought the "big stick" refuge of an appeal to Government. He holds that American interests other than the Near East Development Company have a somewhat larger claim for recognition of the point of view held by the majority which have agreed on sending him (Skliros) with full powers to settle, to the best advantage as he sees it, an irritating question which if allowed to continue its present course will present greater difficulty of settlement and a larger expenditure of moneys as time elapses.

Respectfully yours,

T. M. WILSON

890G.6363/396 : Telegram

The Minister Resident in Iraq (Wilson) to the Secretary of State

BAGHDAD, March 23, 1943—noon.

[Received 3 : 45 p. m.]

120. My telegram 109, March 15; despatch 234 March 16; and previous. Skliros came to see me last night and told me he had brought

to a close the negotiations he has been conducting concerning oil concessions by signing with Nuri two agreements which have been referred to his board of directors in London for them to choose between.

The first [of] these agreements relates only to the Basra Petroleum Company and in it the Iraqi Government agrees to a moratorium starting from May 2, 1941 and ending 2 years after the signing of an armistice with Germany, Italy or Japan whichever is last against a loan of 1,000,000 pounds payable June 1, 1943 and recoverable from oil royalties.

The second agreement covers both the CPC [*BPC*] and the Mosul Petroleum Company which he says has succeeded the old British Oil Development Company and contains the same conditions as the Basra agreement except that amount of the recoverable loan is placed at 1,500,000 pounds, 1,000,000 payable on June 1, 1943 as in first agreement and 500,000 payable the first of January after the signing of an armistice with Germany, Italy or Japan whichever is last.

Before calling upon the Iraqi Government to enact the necessary special law ratifying one of these agreements the oil companies are free to choose which one they prefer and to tear up the remaining agreement or the oil companies are free to reject both agreements in which case the dispute is referred to arbitration. He thinks arbitration is unlikely and that the second agreement above described will be accepted by the oil companies. In the event neither is found acceptable and the dispute goes to arbitration, he does not think such arbitration would be possible before the end of the war. He seems satisfied with the result of his efforts here and to be perfectly certain nobody else could have done any better in the circumstances. He discussed again with Nuri the question of revising the terms of the concession but with the result that he is confirmed in the opinion he has held all the time that this is not the time to enter on such a course with any possible chance of success.

Poliros [*Skliros*] departed this morning for Haifa and expects to fly to London later arriving there some time between the 10th and 15th of April.

WILSON

890G.6363/400 : Telegram

The Minister Resident in Iraq (Wilson) to the Secretary of State

BAGHDAD, April 2, 1943—3 p. m.

[Received April 2—1:46 p. m.]

140. My 120, March 23, noon. Minister for Foreign Affairs informed me at dinner Wednesday³⁸ that the oil companies had selected

³⁸ March 31.

the second of the two agreements³⁹ signed by the Iraq Government with Sklupos [*Skliros*] when he was here. He has followed this conversation with a formal note⁴⁰ replying to my note of February 15 (reference Department's 47, February 12) by which I am officially informed of the above and that steps are now being taken to submit the agreement to Parliament for necessary enabling legislation to be promulgated before May 20, 1943.

George Walter, Baghdad representative of the IPC, has given me a copy of the agreement entered into which I am forwarding to the Department by tomorrow's pouch.⁴¹ He tells me that he and Nuri Pasha destroyed the first agreement on Monday last.

WILSON

890G.6363/408 : Telegram

The Minister Resident in Iraq (Wilson) to the Secretary of State

BAGHDAD, May 7, 1943—3 p. m.

[Received May 7—1:46 p. m.]

197. Legation's telegram No. 140, April 7 [2], 3 p. m. Necessary legislation has been passed by Parliament and Royal decree issued ratifying IPC and Iraqi Government's oil agreement as of May 1.

WILSON

³⁹ i.e., that covering the Basrah Petroleum Company and the Mosul Petroleum Company. See telegram No. 120 from the Minister Resident in Iraq, March 23, *supra*.

⁴⁰ Not printed.

⁴¹ Despatch No. 258, April 2, not printed.

LIBERIA

VISIT OF PRESIDENT ROOSEVELT TO LIBERIA; VISIT OF PRESIDENT BARCLAY AND PRESIDENT-ELECT TUBMAN TO THE UNITED STATES

740.0011 European War 1939/28096

The Chargé in Liberia (Hibbard) to the Secretary of State

No. 15

MONROVIA, January 28, 1943.

[Received February 23.]

SIR: I have the honor to report that on January 27 President Roosevelt paid an official visit to Liberia.¹ He flew from Bathurst in a DC-4 plane to Roberts Field, arriving at 12:15 GMT. He was accompanied by Mr. Harry Hopkins,² Admiral McIntyre,^{2a} and Captain McCrea, his Naval Aide and some of the officials of the West African Command. A second plane contained bodyguards, newspaper reporters and press photographers. He was met on the field by General FitzGerald, Commanding Officer of United States Forces in Central Africa, General Hyde, a member of General FitzGerald's staff and Chief Engineering Officer of this theater, Colonel Kirchhoff, Commanding Officer at Roberts Field, myself and a number of officers belonging to this Command. He was immediately taken to the Officers Quarters at Roberts Field for a short rest and conversation with those who had met him.

Under instructions from the President, I had invited President Barclay and Secretary of State Simpson to have luncheon with him at Roberts Field and to accompany him to the Review which followed. President Barclay arrived at the field a bit before the President's plane landed and this brief interval was used to show him the air field and the camp which he had not previously visited. Promptly at 1 o'clock the two Presidents met in the Officers Mess for lunch which was also attended by the principal members of the President's suite and the officers commanding in this area. During lunch President Roosevelt had an opportunity for a conversation with President Barclay.

¹ On his return trip to the United States from his conference with British Prime Minister Churchill at Casablanca, January 14-24, 1943; the records of this conference will be included in a subsequent volume of *Foreign Relations*.

² Special Assistant to President Roosevelt.

^{2a} Rear Adm. Ross T. McIntire, White House physician and Surgeon General, U.S. Navy.

Immediately after the luncheon President Roosevelt and President Barclay were driven to the end of the B runway of the air field where a Review was held of the various units composing this Command. Mr. George Seybold, Manager of the Firestone Plantations Company, had been invited to attend the Review and upon its termination, after President Roosevelt had bade goodbye to President Barclay and Secretary of State Simpson, Mr. Seybold accompanied him for a short tour in the Plantations. A native village constructed for Firestone laborers was inspected and the President took great interest in the explanations given him of the various steps in the production of rubber. At 3 o'clock GMT, immediately upon the return of the party to the airport, the President took off for Bathurst where he left the same evening by clipper for Brazil.^{2b}

The President showed great interest in all that has been accomplished at this post and expressed his enthusiastic admiration for the results. There was no hitch in the plans, the utmost secrecy having been preserved and all precautions having been taken for his comfort and protection.^{2c}

It is regretted that the visit was of such short duration, so much being crowded into it, that it was impossible for me to explain in greater detail the problems of our relations with Liberia, nor did I have an opportunity to hear from the President what had been said in his conversation with President Barclay. The occasion has been hailed as a most historic one by all Liberians who are enthusiastic over the honor thus paid their country by the President of their oldest friend. While maintaining his customary reserve, it was easy to detect in President Barclay's face a thrill at being able to meet on equal terms the President of the United States and to have him in Liberia. Unquestionably, the President's visit at this time will be interpreted as strengthening Barclay's hand and it is for this reason particularly that I regret the current problems were not more thoroughly discussed. President Roosevelt cordially invited President Barclay to visit in the United States, and I understand that the latter is seriously considering such a trip as soon as the elections are terminated in May.

Respectfully yours,

FREDERICK P. HIBBARD

^{2b} President Roosevelt flew to Natal, Brazil, on the night of January 27-28. See vol. v, section under Brazil entitled "Conference between President Roosevelt and President Vargas of Brazil at Natal."

^{2c} For the report on the visit of President Roosevelt to Liberia, released to the press by the White House January 28, 1943, see Department of State *Bulletin*, January 30, 1943, pp. 94-95.

740.0011 European War 1939/28323

The Chargé in Liberia (Hibbard) to the Secretary of State

No. 41

MONROVIA, February 20, 1943.

[Received March 5.]

SIR: I have the honor to refer to my despatch no. 15 of January 28, 1943, regarding the visit of President Roosevelt to Liberia. In the absence of any daily newspapers or radio broadcasts in this country, it has taken some time for the news of the President's visit to reach the general public. Sufficient time has now elapsed, however, to judge the effect of this unexpected honor on the population. On the whole it has been greeted with enthusiastic wonderment as never in the wildest flights of their fertile imaginations had the people dreamed that the President of the United States would visit their country. The details of the visit have naturally been embroidered and exaggerated and there has been the greatest speculation as to the subjects of discussion with President Barclay.

The supporters of the administration and the True Whig Party have taken the visit as setting the seal of approval upon the present regime. President Barclay appears to share this view. He was greatly impressed by the charm and the cordiality of our President, who made him feel at ease at once. He has told me in general terms the character of their conversation and they seem to have hit upon common ground in their discussion of world social and economic problems. Although not especially demonstrative, it is quite evident that President Barclay is thrilled with the prospects of his official visit to the United States and is eagerly anticipating it. Rather to my surprise he has informed me that he will take the successful candidate in the forthcoming presidential elections to the United States with him as he feels that any problems discussed will be carried on in the following administration.³ As the True Whig Party has a strangle hold on the political machinery of the country, it is obvious that the Honorable W. V. S. Tubman, formerly Associate Justice of the Supreme Court and the presidential nominee of that party, will be elected although the President makes a pretense of not naming him directly as his successor. While Tubman's nomination was engineered entirely by President Barclay, I had felt that he might not wish to share the glory of this visit with another. The fact that he has agreed to do so seems to me to be very advantageous to us as the outstanding problems of our relations to Liberia can be frankly discussed with both. Tubman is much more approachable than Barclay, being not so warped by color prejudice and believing more completely in coop-

³ President Barclay and President-elect Tubman arrived in the United States on May 26, 1943, and remained until June 18, 1943.

eration with outside interests. He is not as strong as Barclay, but I do not feel that he will be entirely dominated by the latter although unquestionably as an elder statesman Barclay will continue to be a power in the country.

The Opposition, led by Mr. James F. Cooper, has expressed regret that President Roosevelt's visit was not longer and that they were therefore denied an opportunity to present their position. There are many educated natives in this group who feel strongly that the United States has a moral obligation in preventing the continued exploitation of the aborigines by the Americo-Liberian oligarchy. Many of their contentions are valid, but this is a problem which will require careful study in determining our future course of action and can probably be solved only in the general social readjustment following the present war.

Respectfully yours,

FREDERICK P. HIBBARD

882.001 Barclay, Edwin/84

Memorandum of Conversation, by the Assistant Chief of the Division of Near Eastern Affairs (Villard)

[WASHINGTON,] June 1, 1943.

At a dinner given in his honor at Blair House on Saturday, May 29, President Edwin Barclay of Liberia talked to me very freely and frankly concerning a number of matters affecting his country. As Mr. Tubman, the President-elect, was also present, it may be assumed that the views expressed were his as well.

President Barclay said bluntly at the outset that while he appreciated the courteous treatment given to him since his arrival in the United States, he was keenly disappointed at the lack of opportunity to discuss the problems of Liberia with responsible officials of the American Government. He observed that he was a very busy man; that he would not have left Liberia if he had known that his visit to Washington was to be devoted to social functions or that he was scheduled to leave without a chance to take up in the proper quarters various matters which he considered vital to the future of Liberia.

1. Proposed harbor development

The subject uppermost in President Barclay's mind was the question of a port in Liberia. He said that he had received the distinct impression from President Roosevelt, when the latter had visited his country, that some form of harbor development or naval base was contemplated by the United States in Liberia, as a means of implementing the President's declaration that Dakar would never again become a threat to the Western hemisphere. It was for this reason

that President Barclay had accepted the invitation to come to Washington, believing that the main purpose of the trip would be to discuss this all-important matter. The conversations which he had had on this subject, up to the eve of his departure from Washington, had been entirely inconclusive.

President Barclay said that following the dinner given to him at the White House, he had conferred with President Roosevelt for an hour the following morning, in the course of which President Roosevelt had definitely stated he desired to see a port developed in Liberia. President Barclay had given his assent to the proposal. Mr. Harry Hopkins was supposed to be present at this conversation, as well as at breakfast that morning, in order to follow up the matter, but he had not appeared on either occasion. President Barclay had waited in vain for him all morning, and now that he understood the White House staff had gone to Hyde Park, he was at a loss how to proceed. He asked whether it would be correct for him to draw up a memorandum to send to the White House.⁴ I said I thought this would be entirely in order, and requested that a copy be sent simultaneously to the State Department.

In discussing the best site for a harbor, President Barclay said that it should preferably be located to the north of Monrovia, as, for example, at the St. Paul's River. This would tap the rich northern section of the country, which showed the greatest promise in respect to natural resources. Other parts of Liberia were unknown and unexplored and could not justify a port enterprise. The best natural location was actually at Baffu Bay, which could be made to serve as an outlet for produce from French West African territory, but the remoteness of this section made it impracticable and of little advantage except to the French.

The President made it clear that he would not entertain any port project which would benefit primarily the Firestone Plantations, such as at Marshall.

2. Attitude toward American interests

President Barclay said that while he appreciated all that Firestone had done for his country, he regarded Firestone as an American interest which had to be curbed. He said that the Firestone organization considered itself to be of paramount importance in Liberia and as if the country should be run for its benefit alone. He was obviously suspicious of any extension of Firestone's influence, including the sponsoring by Firestone of new American enterprises or a port development connected with the rubber plantations.

The President made it clear that he would welcome other United States interests in Liberia, provided they had no tie-up with Fire-

⁴ See memorandum by President Barclay, p. 679.

stone. He said that he would examine with the most sympathetic attention any proposal made which would be of benefit to Liberia. He said that the United States Steel Corporation survey had been a complete failure; that he was greatly disappointed at the cursory examination made by the engineers; and that he suspected the only reason why the corporation had gone to Liberia was because it had been urged to do so and had the backing of the State Department. I explained that we had taken pains to present to other American companies the opportunity to explore Liberia's iron ore resources, but that only the Bethlehem Steel Company was interested. The President expressed the hope that the Bethlehem people would investigate the prospects as soon as possible after the war.

3. American military forces

The President was critical of the American military authorities in Liberia. He cited an instance in which American military police had seized a Liberian customs employée, at the alleged instigation of Firestone, with a view to administering justice. The President said that the commanding general should remember that the American military forces did not constitute an army of occupation, as General Sadler⁵ seemed to think. The President said that Liberia would do everything within reason to help win the war but that the country must be allowed to exercise its own authority and administer its own justice when it had the means to do so.

President Barclay indicated he would be glad to have the American garrison depart at as early a date as possible after the war, and assistance given meanwhile to building up the Liberian Frontier Force to a permanent strength of about 3,500 men with modern machine guns.

4. Relations with other countries

Turning to the question of Liberia's frontiers, the President said that French encroachments were the most serious. He said that the various acts of the French Government in the past had demonstrated a definitely hostile intention and had seriously threatened Liberia. The President said that if the Liberian Frontier Force had been strong enough, it would have attempted to regain by force the territory which France had taken away from Liberia on the northern border under a treaty imposed in 1911.⁶ One of Liberia's principal objectives at the end of the present war would be to obtain restitution of this so-called lost territory from France.

⁵ Commanding General of United States Army Forces in Liberia; he succeeded Colonel Kirchhoff.

⁶ Agreement regarding delimitation of frontier, signed at Paris, January 13, 1911, *British and Foreign State Papers*, vol. CVII, p. 797.

President Barclay said there was a greater fear of France in Liberia than of Great Britain. The President showed no particular dislike for the British. In fact, he said that his relations with Great Britain depended only on the type of representative sent to Monrovia; that if a proper selection were made there would be nothing to prevent a satisfactory and amicable relationship. He said there was no desire to obtain any boundary rectification from Great Britain.

The President said he had positive evidence of the designs of both Germany and Italy on Liberia through the instrumentality of the Neep concession,⁷ which he had canceled, but I received the impression that he expected a resumption of trade with Germany after the war.

5. Educational problems

I mentioned the educational problem in Liberia. The President severely criticized Mr. Embree, the former American Educational Adviser, now attached in a nominal capacity to the Booker Washington Agricultural Institute. The President said that his Government had desired to put into effect a system of tribal education along the lines of a study made by the Mexican Government, but that Embree had refused. The President asserted that Embree was doing no good in Liberia at present; that it was a waste of money to keep him there; . . .

The President also attacked Dr. Thomas Jesse Jones of the Phelps Stokes Fund. He asserted that the educational ideas of Dr. Jones were modeled on old-time British Colonial methods and could serve no useful purpose in Liberia. The President felt that Liberian students should not come to the United States, because they returned with ideas and standards of living which could not be put into practice in Liberia. He believed rather that technical schools adapted to the needs of the country should be established, staffed with trained teachers from abroad. I said that the matter of raising the educational standards of Liberia had occasioned more interest among Americans than almost anything else affecting that country. The President said that he would give me a separate memorandum on the subject of educational reform.

6. Lend-Lease situation

President Barclay was particularly disappointed at the lend-lease situation, and the one-million-dollar credit which had been included in the negotiations for airport rights. He said that he had found the United States Army engineers were building roads which suited them, without reference to the needs of the country and of no practical help to Liberia after the war. The President said that he did not under-

⁷ For correspondence on this subject, see *Foreign Relations*, 1938, vol. II, pp. 770 ff.

stand our intentions in offering lend-lease and then arbitrarily deciding how and where the roads were to be built. He desired to open up the interior of the country and did not see how this was to be done under the present apportionment and use of funds by the Army. I said that the formal lend-lease agreement with Liberia should be ready for signature very shortly, and that under the terms thereof I felt it would be possible for Liberia to obtain assistance in the projects which were of importance to it.

It is possible that the President did not fully understand the distinction between the so-called million dollar credit and the master Lend-Lease agreement yet to be signed.

In offering a toast at the end of the dinner, President Barclay made some exceedingly friendly references to his relations with the State Department. He said he was confident that the Department would do everything to assist Liberia and to make his visit worthwhile.

It may also be worth noting that at a luncheon earlier in the day President Barclay expressed surprise at the lack of racial discrimination in the United States. He said that through his reading he had been lead to believe the situation was much more serious, whereas during his visit so far he had found nothing but evidence of cooperation between the two races.

EFFORTS OF THE AMERICAN MINISTER IN LIBERIA TO REDUCE FRICTION BETWEEN UNITED STATES TROOPS AND LIBERIAN CITIZENS AND TO CLARIFY THE JURISDICTION OF UNITED STATES MILITARY FORCES IN LIBERIA

882.20/645

The Minister in Liberia (Walton) to the Secretary of State

No. 116

MONROVIA, June 9, 1943.

[Received June 23.]

SIR: I have the honor to report that during the month of May the Liberian Government made formal and informal protests to the American Minister of alleged reprehensible conduct on the part of American soldiers toward Liberian citizens residing outside the designated military area, which protests were brought by the American Minister to the attention of the Commanding General⁸ of USAFIL.⁹

The charges included the unlawful entry into homes of Liberian citizens by the military police, confiscation of property, unlawful arrests, assault and robbery.

⁸ Brig. Gen. P. L. Sadler.

⁹ United States Army Forces in Liberia.

The President and the Secretary of State¹⁰ previously had informally protested to the American Minister against what they termed "the wanton acts of American soldiers who seem to be under the impression that they were members of an army of occupation rather than an army of collaboration."

These informal protests culminated in the transmission of a formal note to the American Minister dated May 20, 1943, by the Liberian Secretary of State who related a series of incidents involving American soldiers. The request was made by the Liberian Government that "due regard be had for the terms of the agreement between the Governments of Liberia and America;¹¹ that the impression be dispelled that American soldiers temporarily stationed in Liberia constitute a foreign army of occupation"; that "they (American soldiers) should be informed that they have no right whatever to arrest people outside of the military area and that Liberians committing offenses in the defense areas should be turned over to the Liberian authorities for prosecution as provided in the agreement."

On May 22, the day following the receipt of formal note above referred to, the American Minister visited the President who expressed indignation over an incident which had been reported to him by the Collector of Customs. The President related that on the morning of May 22 four armed military policemen had entered the office of the Supervisor of Revenues and inquired of one William Stubblefield; that the Liberian appeared on the scene and was informed he was under arrest and should accompany the military police. The President stated he had instructed the Liberian Secretary of State to send the American Minister a formal note requesting that the incident be brought to the immediate attention of the Commanding General and requesting the immediate release of Stubblefield.

On returning to the Legation the American Minister found the second formal note transmitted within two days, and informed the Commanding General by telegraph of the Liberian Government's insistence on Stubblefield's release. A telegram was received from the Commanding General denying that Stubblefield was under arrest and asserting that according to a report he had received his soldiers had called on Stubblefield, at the instance of the local police, who temporarily had been held in custody in Monrovia. However, the local police emphatically denied any such request had been made by them. Stubblefield was suspected of having in his possession dynamite stolen from the camp.

¹⁰ Edwin Barclay and Clarence L. Simpson, respectively.

¹¹ Signed at Monrovia, March 31, 1942. For text, see Department of State Executive Agreement Series No. 275, or 56 Stat. (pt. 2) 1621; for correspondence relating to this agreement, see *Foreign Relations*, 1942, vol. iv, pp. 355 ff.

As irritation of the Liberian people, both public and press, was increasing over the alleged "outrages" and additional protests were being received at the Legation, the American Minister saw fit to visit the Commanding General May 25. They engaged in a protracted, satisfactory talk relative to taking steps to ameliorate the situation. The Commanding General assigned the staff Judge Advocate and a commanding officer of an infantry battalion to investigate the various complaints.

The following morning the two officers conferred with the American Minister, who sent them to the Secretary of State with the request that the Liberian Government make available the desired witnesses. An investigation was held in the office of the Superintendent of Police in Monrovia. As there was slight disagreement between the army officers and the Superintendent of Police over the question of procedure, the army officers were taken to the home of the Secretary of State by the American Minister where the subject was discussed and an amicable understanding reached. The following day the investigation was conducted along the lines agreeable to the military.

While the investigation was being held the American Minister received other protests, including a formal note from the Liberian Government. One complaint was made by a Liberian, alleging the military policemen had entered his home on the Firestone Plantations and confiscated his liquor. In his formal note the Secretary of State charged that American and native military police had visited Hoewehn Town and demanded the Clan Chief to surrender hut tax collections. This alleged disregard of Liberian sovereignty is said to have been occasioned because a military policeman gave a willing ear to a native who harbored a grievance that he had been mistreated by the Clan Chief in the collection of hut tax.

Upon receipt of all charges, formal and informal, the American Minister directed them to the attention of the Commanding General whose replies were transmitted to the Liberian Secretary of State.

It became increasingly obvious to the American Minister that protests of Liberians, the exchange of formal notes and denials by the American Military only aggravated the situation, and that unless contributory factors were eliminated there would probably arise additional provocations and misunderstandings. Moreover, the fact was inescapable that well-meaning but over-zealous American and native military police at times had exceeded their authority.

On June 3, with a view to reconciling the differences which had arisen between the Liberian Government and the American Military over the question of the prerogative of the American Military to arrest Liberian citizens, and to minimize the possibility of a recurrence of incidents complained of, the American Minister wrote what

were almost identic notes to the Liberian Secretary of State and to the Commanding General suggesting that a meeting be held between the appropriate representatives of the Liberian Government, the American Military and the American Legation. The Commanding General promptly accepted the proposal and the Liberian Secretary of State did likewise.

With his letter of acceptance the Commanding General transmitted a copy of instructions just issued defining the status of American troops in Liberia. In the memorandum, organization commanders were ordered to take such steps as will insure that all members of military units are fully informed as to the contents.

Further proof of the Commanding General's determination to put an end to the arrest of Liberians outside the military area and to other charges of misbehavior in public was indicated by his appointment on June 5 of a new Provost Marshal who was instructed to compel all soldiers to conduct themselves properly while off the military reservation.

The newly-appointed Provost Marshal visited the American Minister Sunday, June 6, and gave assurance of his intentions to carry out to the best of his ability the Commanding General's instructions. He was accompanied by Mr. M. Dukuly, Stipendiary Magistrate of the Bondiway Court, who promised whole-hearted cooperation.

While the conference proposed by the American Minister has not been held, it can be confidently predicted that there is little likelihood of a repetition of offenses charged.

I transmit herewith copies of formal and informal protests, copy of communication from Commanding General making known results of investigations, other correspondence and press comment dealing with the subject.¹²

Respectfully yours,

LESTER A. WALTON

882.20/648

The Minister in Liberia (Walton) to the Secretary of State

No. 125

MONROVIA, July 2, 1943.

[Received July 20.]

SIR: I have the honor to refer to the Legation's despatch no. 116 of June 9, 1943, file no. 820, and to report that at the suggestion of the American Minister a conference was held June 17, 1943, in the office of the Liberian Secretary of State between the Commanding Officer of

¹² Enclosures not printed.

USAFIL, the Liberian Secretary of State and the American Minister at which several points of mutual interest were discussed for clarification, to wit: defense areas, collaboration between medical services of USAFIL and those of Liberia in the adoption of health measures in native towns a short distance from defense areas, and to insure the effective administration of justice by the Liberian Government and the American military in matters relating to the commission of offenses by Liberian citizens outside defense areas.

Based chiefly on suggestions and recommendations made by the Commanding Officer of USAFIL, the American Minister transmitted a formal note to the Liberian Government for appropriate action relative to subjects hereinbefore mentioned.

The Liberian Secretary of State informally made known to the American Minister that the note was being considered and an answer would be forthcoming in the near future.¹³

Copy of the American Minister's note to the Liberian Secretary of State is herewith attached.

Respectfully yours,

LESTER A. WALTON

[Enclosure]

The American Minister in Liberia (Walton) to the Liberian Secretary of State (Simpson)

No. 391

MONROVIA, June 28, 1943.

EXCELLENCY: I have the honor to refer to the conference held by the Commanding Officer of USAFIL and the American Minister with the Secretary of State, R. L., on June 17, 1943, when salient, pertinent points of mutual concern were informally discussed, which points are now formally presented to the Liberian Government for study and appropriate action.

Clarification as regards the boundaries of the various defense areas over which the USAFIL have been invested with jurisdiction in accordance with the Agreement between the Governments of the United States of America and Liberia as of March 31, 1942 should obviate future misunderstandings on this particular subject.

The Commanding Officer of USAFIL has been good enough to prepare two maps which are herewith enclosed.¹⁴ One map delineates the Roberts Field and Bassa Point defense areas and the other map delineates the Cape Palmas defense area. No map has been furnished of the Benson Field defense area.

¹³ No record of such an answer has been found in Department files.

¹⁴ Maps not found attached to file copy of this document.

[Here follows detailed description of the Roberts Field, Bassa Point, Cape Palmas, and Benson Field defense areas.]

To permit the supervision and guarding of the pipe line, it is requested that there be reserved a one hundred-foot right-of-way on the pipe line between the Little Bassa and Farmington Rivers.

As the health of the American troops is of paramount importance greater collaboration between the medical services of USAFIL and those of Liberia in conducting anti-malarial surveys and the adoption of other preventive measures in areas to be agreed upon beyond the limits of the defense areas it is thought should prove high [*highly*] beneficial to all concerned.

To insure the effective administration of justice, which is the desire of the two Governments, it is respectfully suggested that an understanding be reached on the following points:

1. *Liberian Citizens.* The United States has no jurisdiction over any Liberian citizen outside defense areas and none within the defense areas except "retainers to the camp" and those Liberian citizens committing an offense therein. Members of this last group may be arrested and will be turned over under guard to the local Liberian authorities after investigation of the alleged offense, such detention not to last more than three days, except with the express authority of the local Liberian authorities. Full right of search and seizure within the defense areas as well as unqualified jurisdiction over spies and saboteurs are obviously necessary incidents to the protection of United States property as recognized by customs of civilized nations and the laws of war.

2. *American Military Personnel.* It is clearly recognized that the Liberian Government has full authority to arrest and the duty to turn over to the United States authorities for trial and punishment American military personnel who may commit offenses outside the defense areas. It is believed that more effective control will be had over soldiers outside the defense areas if the right of the military police to arrest such military personnel as may commit offenses against the laws of Liberia be recognized as co-extensive with that of the Liberian authorities.

3. *All Others.* Foreign nationals, other than spies and saboteurs, committing offenses within the defense areas will be turned over to the Liberian authorities if the offenses with which they are charged can be suitably punished under Liberian law. Spies and saboteurs must, of course, be tried before our military tribunals.

Please accept [etc.]

LESTER A. WALTON

**PRELIMINARY AGREEMENT BETWEEN THE UNITED STATES AND
LIBERIA REGARDING PRINCIPLES APPLYING TO MUTUAL AID FOR
DEFENSE, AND EXCHANGE OF NOTES, SIGNED JUNE 8, 1943**

[For texts of agreement and notes, see Department of State Executive Agreement Series No. 324, or 57 Stat. (pt. 2) 978.]

LIBERIAN REQUEST FOR LEND-LEASE FUNDS FOR AN INCREASED
LIBERIAN FRONTIER FORCE

882.24/80

*The Liberian Consul General at New York (Walker) to the Secretary
of State*

NEW YORK, September 1, 1943.

[Received September 2.]

SIR: Reference is made to the Agreement between the Governments of the United States and of Liberia, signed at Monrovia, Liberia, March 31, 1942,¹⁵ whereby the Government of the United States undertook to extend certain aid to the Republic of Liberia.

I now have been instructed by the President to respectfully request, under the provisions of this Agreement, that the Government of the United States make available to Liberia the sum of \$150,000.00 for an increased Liberian Frontier Force, and that this sum be transmitted to the Bank of Monrovia, Inc., to the credit of the War Department of Liberia by September 15, 1943, at which time the new Liberian Frontier Force organization becomes effective.

As events have made it unnecessary to proceed with the construction of the access road from Roberts Field to Fisherman's Lake as called for by the Agreement herein referred to, I am further instructed to request that the balance remaining of the \$200,000.00 appropriated for such road purposes be merged with the \$600,000.00 appropriated for construction of permanent roads. The decision to make this request follows an accord with United States military authorities now in Liberia and who are charged with the prosecution of this particular road project.

Respectfully yours,

WALTER F. WALKER

882.24/80

*The Secretary of State to the Liberian Consul General at New York
(Walker)*

WASHINGTON, September 16, 1943.

MY DEAR MR. WALKER: The receipt is acknowledged of your letter of September 1, 1943, with regard to certain aid which President Barclay wishes this Government to extend to Liberia.

It is not clear to the Department under what provision of the Agreement of March 31, 1942, between the Governments of the United States and Liberia the request of President Barclay for \$150,000 for the

¹⁵ For text, see Department of State Executive Agreement Series No. 275, or 56 Stat. (pt. 2) 1621; for correspondence relating to this agreement, see *Foreign Relations*, 1942, vol. IV, pp. 355 ff.

Liberian Frontier Force is based. Perhaps you might wish to ask your Government for a clarification of this point, after which the Department will be glad to go more thoroughly into the matter.

It is not the Department's understanding, however, that any commitment was entered into by this Government under which it could be called upon to advance funds to the Liberian Government for the maintenance of the Liberian Frontier Force. The obligations of this Government with respect to the Frontier Force appear to have been fully set forth in numbered paragraphs 3, 4 and 5 of the letter from Colonel McBride to President Barclay, dated March 31, 1942,¹⁶ which defined the specific defense aids which the Government of the United States undertook to extend to the Government of Liberia. These paragraphs read as follows:

"3. Assistance through the United States War Department in organizing and training a Liberian military force of two to three thousand men by supplying, at American expense, qualified personnel for such purposes;

"4. The extension of a credit in the sum of eight hundred thousand dollars from Lend Lease or other United States funds for the purpose of assisting in the road construction and defense program of Liberia;

"5. A supply of small arms and ammunition for a force of two to three thousand men to be made available to the Liberian Government by the United States as a part of supplies to be furnished under the credit above mentioned;"

As regards the road construction program, as amended, the Department understands that no difficulties are anticipated by the War Department in complying with the request of your Government for an adjustment along the lines mentioned in your letter.

Sincerely yours,

For the Secretary of State:

ADOLF A. BERLE, JR.

Assistant Secretary

882.24/85

The Liberian Consul General at New York (Walker) to the Assistant Secretary of State (Berle)

NEW YORK, September 20, 1943.

[Received September 21.]

MY DEAR MR. BERLE: Acknowledgement is made of the Department of State's letter of September 16, 1943, in reply to mine of September 1, with reference to the transfer by the Government of the United States to the account of the Liberian Government of certain funds provided for transfer under provisions of the Lend-Lease Agreement

¹⁶ *Foreign Relations*, 1942, vol. iv, p. 375.

between the two governments as signed in Monrovia, Liberia, March 31, 1942.

It is noted the Department's understanding is that the commitments made by the Government of the United States in this Agreement do not cover the advance of funds to the Liberian Government for the maintenance of the Liberian Frontier Force, which understanding is based upon reference to Paragraphs 3, 4 and 5 of the confidential letter from Colonel H. A. McBride to President Barclay of Liberia on March 31, 1942,¹⁷ said letter being explanatory of Article V. of the Agreement as signed on behalf of the two Governments at Monrovia on the same day.

While the Department's understanding of this matter is apparently supported by the above references, I am of the opinion that a liberal interpretation of Article V., as well as of the paragraphs contained in Mr. McBride's letter as quoted, would, at the same time, also admit that financial advances for the Liberian Frontier Force were intended, particularly as the increased Force contemplated at the time was evidently expected to provide an auxiliary organization for defense purposes, and, also, as no provision for the cost of this increased Force has been included in the budget of the Government.

Article V. of the Agreement states that the Government of the United States undertakes to extend to the Government of Liberia, among other things, "certain monetary aids for defense purposes". Paragraph 4 of Mr. McBride's letter cites that the extension of a credit of \$800,000.00 would be for the purpose of "assisting in the road construction and defense program of Liberia". It would thus appear that the defense program anticipated the necessity of allocating at least a portion of this credit to the cost of personnel payment of an expanded Frontier Force considered necessary for defense purposes.

The text of Paragraph 4, above referred to, does not indicate that the entire credit of \$800,000.00 must be wholly applied to road construction, hence the Government of Liberia has deemed it proper and justifiable to request the Government of the United States for the extension of at least \$150,000.00 of this credit for the purposes as stated. President Barclay was of this opinion when he empowered me to represent the Government of Liberia in all matters pertaining to the securing and receiving of lend-lease aid under the Agreement as signed. Embodied in the instructions and directions of the President is the following:

"As you know the Government of the United States, in consideration of certain assistance of a military character afforded it by this Gov-

¹⁷ *Foreign Relations*, 1942, vol. iv, p. 375.

ernment, has set up a credit of One Million Dollars (\$1,000,000) which the Liberian Government may make use of in the manner following:

1. Approximately \$150,000 for the payment locally of an increased Frontier Force;
2. Approximately \$200,000 to be expended by the United States War Department in the construction of an access road between the Roberts Field Airport and Fisherman Lake;
3. Approximately \$600,000 for the construction of permanent roads, such construction to be performed under a contract which would be granted to an American firm considered competent for the purpose by the United States War Department, employing the machinery which has been used in the construction of Roberts Field Airport and which will be turned over for the construction of Liberian Roads;
4. The remainder to be used for further equipment of the Frontier Force for such items as uniforms, housing, sustenance, et cetera, and for improving radio communication.

In view of the above understanding of President Barclay transmitted by his letter of November 10, 1942,^{17a} and in view, also, of the fact that the Government has proceeded with organization of an increased Frontier Force on the strength of this understanding, it is hoped that the Department's review of this matter may result in an acceptance of the request of the Liberian Government for the transfer of funds in question as having been made within the scope of the Agreement.

Sincerely yours,

WALTER F. WALKER

882.24/85

The Acting Secretary of State to the Liberian Consul General at New York (Walker)

WASHINGTON, October 4, 1943.

MY DEAR MR. WALKER: The receipt is acknowledged of your letter of September 20, 1943, with reference to the financial aid which President Barclay wishes the Government of the United States to extend to Liberia for the maintenance of the Liberian Frontier Force.

The Department referred this matter to the War Department for its views and has now received a reply indicating that the War Department is in agreement with the understanding of the Department of State, as expressed in my letter to you of September 16, 1943, that there was no commitment on the part of this Government under the Agreement of March 31, 1942, to make any cash advances to Liberia for the Frontier Force. The War Department states:

"1. Article V of the Agreement between the Governments of the United States and Liberia states that the Government of the United

^{17a} See telegram No. 380, November 11, 1942, from the Charge in Liberia, *Foreign Relations*, 1942, vol. iv, p. 405.

States undertakes to extend to the Government of Liberia, among other things, certain monetary aids for defense and other purposes. When the Agreement was signed, Col. McBride, Special Representative of the President, who negotiated the Agreement, gave President Barclay a letter, dated 31 March 1942, setting forth the specific obligations undertaken by this Government in Article V of the Agreement. This letter was approved by the Government of the United States and specifically indicates the extent of American obligations under the above mentioned Article.

"2. One of its provisions was a credit in the sum of \$800,000 from Lend-Lease or other U.S. funds for the purpose of assisting in the road construction and defense program of Liberia. This was a credit from which Liberia could obtain or purchase either American services or American supplies and materials but the War Department in giving its approval to the above mentioned letter, did not understand that there would be any cash advanced to the Government of Liberia for any local expenditures of the Liberian Government in that country."

The Department regrets very much that a misunderstanding has developed in regard to this matter.

Sincerely yours,

ADOLF A. BERLE, JR.

882.24/97

The Liberian Consul General at New York (Walker) to the Assistant Secretary of State (Berle)

NEW YORK, November 1, 1943.

[Received November 2.]

SIR: Reference is made to your letter of September 16, 1943 with regard to the transfer of \$150,000.00 for payment locally of an increased Liberian Frontier Force.

The decision of the Government of the United States as stated in said letter was duly conveyed to the Government of Liberia. I have just now received a reply from the President of Liberia which indicates that there was a very definite commitment on the part of Colonel Harry A. McBride, representative of the Government of the United States, who signed the Agreement of March 31, 1942 at Monrovia, Liberia, which was the basis of setting up the total credit available to the Government of Liberia.

The request made for the transfer of the \$150,000.00 was based specifically upon a detailed letter addressed to President Edwin Barclay by Colonel Harry A. McBride and dated at Monrovia, Liberia on March 20, 1942.¹⁸ A certified copy of this letter was forwarded to me for transmission to the Department of State, and I herewith hand you a copy of same.

¹⁸ *Foreign Relations*, 1942, vol. iv, p. 370.

This letter clearly indicates that the requisition of the President of Liberia was not made without sufficient warrant. It may be pertinent to quote the following from the President's letter. The letter states in part that:

"Colonel McBride, did say, during the discussion of this matter, that it was not usual to make cash advances under lease-lend, but considering the special circumstances in which Liberia stood, an exception was being made in her favour to the extent mentioned in the letter above cited.

Relying upon this money becoming available to supplement our Budgetary provisions for the Frontier Force, its reorganisation and enlargement have been authorised, and in part effected."

Very truly yours,

WALTER F. WALKER

LIBERIAN REQUEST FOR UNITED STATES TECHNICAL ASSISTANCE
TO MAKE A SURVEY OF LIBERIAN IRON ORE DEPOSITS

882.63A/6

The President of Liberia (Barclay) to the Secretary of State

NEW YORK, June 17, 1943.

DEAR MR. SECRETARY: Information has been available for some time regarding the existence of iron ore in the Republic of Liberia, a preliminary survey of which was made a few years ago by the United States Steel Corporation. As this company was not interested in pursuing the subject further no detailed reconnaissance appears to have been made of the deposits and no accurate knowledge exists of their extent or commercial usefulness. Such information as is available concerning occurrences of iron ore in Liberia is doubtless in the possession of the United States Geological Survey.

The Government of Liberia is desirous of having an impartial survey made of its iron ore deposits by qualified experts of the United States Geological Survey. It is believed that such a survey would contribute materially to an understanding of the economic development possibilities in Liberia and would substantially benefit the relations between Liberia and the United States.

The Government of Liberia has taken note of the provisions of the Act approved May 25, 1938,¹⁹ as amended on May 3, 1939,²⁰ under which the temporary detail to Liberia is authorized of United States

¹⁹ 52 Stat. 442; for previous correspondence regarding detail of United States employees to Liberia in connection with this act, see *Foreign Relations*, 1938, vol. II, pp. 789-792, 797-800, and 831-832.

²⁰ 53 Stat. (pt. 2) 652.

employees possessing special qualifications, and in view of these provisions, the Government of Liberia respectfully requests the Government of the United States to consider the feasibility of assigning three geological experts to make the technical survey indicated as being desirable.

It is believed that such a survey could be completed within a period of six months.

The Government of Liberia would obligate itself to bear a reasonable share of the expense involved in this survey, and it is suggested that this should cover such items as quarters, local travel expense within the Republic, and such labor as may be required by the technical experts.

Very sincerely yours,

EDWIN BARCLAY

882.63A/14a : Telegram

The Secretary of State to the Minister in Liberia (Walton)

WASHINGTON, November 27, 1943—7 p. m.

128. At the request of President Barclay, arrangements are being made to detail Walter H. Newhouse, Thomas P. Thayer, and Arthur P. Butler of the United States Geological Survey to Liberia under the provisions of the Act of May 3, 1939 (Public No. 63, 76th Congress) to make a survey of Liberian iron ore deposits.

President Barclay and Consul General Walker have indicated that the Liberian Government will provide the necessary laborers, means of transportation within Liberia, and arrange for suitable quarters in the field. Inasmuch as the experts expect to leave Washington early in December, you are requested to contact the appropriate officials at once with a view to having arrangements for these facilities worked out in advance of the arrival of the mission. The Liberian Government has not as yet specified the areas in which it is desired that the experts begin their studies, but since the Bomi Hills region appears to be the most promising, you should suggest to the appropriate authorities that they first make arrangements for food and shelter in that area.

The experts will probably wish to remain in Monrovia for about a week before proceeding to the interior, and you are also requested to endeavor to obtain quarters for them there.

Further instructions follow by air mail.

HULL

882.63A/15 : Telegram

The Minister in Liberia (Walton) to the Secretary of State

MONROVIA, November 29, 1943—5 p. m.

[Received November 29—3:49 p. m.]

197. President Barclay has informed me that the requisite arrangements for experts as requested in Department's telegram No. 128, November 27, 7 p. m., will be authorized.

Regarding question of food, he observed that considering the difference in living standards between Liberia and the United States his Government would think it more appropriate that a subsistence allowance be made to experts in lieu of food furnished directly by the Liberian Government; and that if this is agreed to by our Government and experts, he would appreciate advice as to what might be considered an adequate allowance.

WALTON

882.63A/15

The Secretary of State to the Minister in Liberia (Walton)

No. 369

WASHINGTON, December 1, 1943.

SIR: With reference to the Department's telegram no. 128 of November 27, 1943 and your reply no. 197 of November 29, 1943, you are informed that Dr. Walter H. Newhouse, Dr. Thomas P. Thayer and Dr. Arthur P. Butler, Jr., of the United States Geological Survey, have been detailed to Liberia by the Secretary of State to assist the Government of that country in making a survey of its iron ore deposits, under the provisions of the Act of May 3, 1939 (Public No. 63, 76th Congress) and the regulations set forth in Executive Order No. 9190 of July 2, 1942,²¹ their assignments having been effected at the request of the Liberian Government for a period of not exceeding six months, including the time required to travel from Washington, D. C. to Monrovia and return.

Enclosed for your further information and guidance are copies of letters²² addressed to Drs. Newhouse, Thayer and Butler today which contain a description of the duties they have been instructed to perform, and directions concerning their responsibilities to you and the Liberian Government. You are requested to examine these enclosures carefully and to be guided thereby insofar as they relate to your responsibilities in connection with the Geological Mission. Among other things, it will be noted that Dr. Newhouse has been designated Chief of the Mission and that he will direct the work of Dr. Thayer

²¹ 7 *Federal Register* 5101.

²² Not printed.

and Dr. Butler; also that the areas in which the investigations are to be undertaken are to be selected in agreement between Dr. Newhouse and the responsible Liberian officials after the arrival of the Mission in Monrovia.

Members of the Mission have been instructed to obtain your approval of any informal recommendations involving questions of policy which they may propose to make to Liberian officials, and to seek your advice and counsel in all matters having to do with their relations with the Liberian authorities. You will accordingly render them all appropriate assistance in that connection. There is also enclosed a copy of a letter of November 27, 1943,²³ to Walter F. Walker, Esquire, Consul General of Liberia, New York, New York, which sets forth the conditions under which the detail of the Mission has been effected.

Please note particularly that each member of the Mission will receive an allowance at the rate of \$200 a month to cover the cost of quarters and subsistence during the period he is actually in Liberia, and that this allowance is to be paid by the Department of the Interior rather than by the Liberian authorities. The Liberian Government has agreed to reimburse the Government of the United States for the allowances but it is not desired that such reimbursement be tendered during the period the experts are in Liberia. After the assignment shall have been completed, the Liberian Government will be requested to make reimbursement to the Secretary of State for transmission to the Department of the Interior. The allowances will be used by members of the Mission to pay for their food as suggested in your telegram under reference, and also to defray the cost of their living quarters during the period of their sojourn.

The Liberian Government has agreed to provide the experts with means of transportation within Liberia without the transfer of funds to them for that purpose; to provide the services of necessary laborers and pay their wages direct; to designate a representative in Liberia to serve as liaison officer between members of the Geological Mission and appropriate Liberian officials; and to detail a Liberian geologist, Mr. Arthur Sherman, to work with the experts.

There is also enclosed a copy of Executive Order No. 9190 of July 2, 1942 which you are instructed to study and observe insofar as its provisions relate to the activities of Drs. Newhouse, Thayer and Butler during their sojourn in Liberia. Shortly after the Mission reaches Monrovia, you should submit a report setting forth the date and hour of the arrival of each expert and any other information that may be of use to the Department. Progress reports should be submitted at six weeks intervals thereafter, and you should inform the

²³ Not printed.

Department about three weeks in advance of the date on which the experts expect to return to the United States.

Very truly yours,

For the Secretary of State:
G. HOWLAND SHAW

AGREEMENT BETWEEN THE UNITED STATES AND LIBERIA REGARDING THE CONSTRUCTION OF A PORT AND PORT WORKS, SIGNED AT MONROVIA, DECEMBER 31, 1943

882.1561/6-243

*The President of Liberia (Barclay) to Mr. Harry L. Hopkins, Special Assistant to President Roosevelt*²⁴

NEW YORK, June 2, 1943.

MY DEAR MR. HOPKINS: Mr. Tubman²⁵ and I greatly regretted that we were unable to have the promised talk with you prior to our leaving the White House on the morning of May 27th. It had been our hope that we might have been able to interest you in the matter of the delay in making available to Liberia the Lend-Lease supplies which President Roosevelt, we were advised, had authorized. These supplies of money and materials had been promised Liberia in consideration of certain substantial grants which our government had made towards the war effort, namely, the establishment of American Air Bases in Liberian territory, and the granting to the United States Government of military bases therein.

Notwithstanding requisite applications had been made since March 29, 1943, up to this time no materials have as yet been delivered under the understanding arrived at between the two governments. It was our intention to solicit your good offices in speeding up performances, if it were proper and possible for you to help us in this matter.

President Roosevelt, when he visited Liberia, intimated to me that he felt it desirable that a harbor should be built in Liberia without delay. The idea commends itself to both Mr. Tubman and to me. We are prepared to implement this objective upon these conditions:

a—That the construction of the harbor be carried out in accordance with specifications of army engineers.

b—That the funds provided for the construction be repaid out of harbor revenues. All sums over and above the cost of harbor administration be allocated to the reduction of the capital debt.

To insure the repayment of the cost of harbor construction within a shorter period than otherwise might be possible, an intensive ex-

²⁴ Copy transmitted to the Department by President Barclay in a letter to the Assistant Chief of the Division of Near Eastern Affairs (Villard), June 2, 1943, which read: "I am herewith enclosing the Memorandum which I promised, together with copy of my letter to Mr. Harry Hopkins." For correspondence concerning President Barclay's visit to the United States, see pp. 656 ff.

²⁵ W. V. S. Tubman, President-elect of Liberia.

plottation of Liberia's economic resources should be concurrently undertaken with the building of the harbor. Mr. Tubman and I are both prepared to support before the Liberian Legislature the granting to any non-political commercial organization such rights of exploration and exploitation as may not be inconsistent with the economic rights and welfare of the Liberian people. Such an organization might be suggested by an appropriate Department of the United States Government.

These are matters we had desired to talk over with you, and, if we could with propriety do so, engage your sympathetic interest in securing their prompt accomplishment.

Yours faithfully,

EDWIN BARCLAY

[Enclosure]

Memorandum by the President of Liberia (Barclay)

The Government of Liberia earnestly desires a larger development and production of the natural resources of the Republic which are in demand by world markets, and which are deemed vital to insure a sound internal economy. The products which it is felt fall most logically into this category are palm oil, palm kernels, copra, kola nuts, coffee, cocoa and piassava fibre, as well as certain mineral deposits.

In connection with the above, the Government of Liberia is also desirous of having these products more largely introduced directly into the American market, but realizes that to stimulate such production quickly and in adequate quantities, finances are needed which are not now available within the country.

Further, the Liberian Government feels that the exploitation of such products as above can best be brought about by plantation operations which would not curtail or prohibit free enterprise and initiative in such production on the part of the people of the country, but would rather encourage same. To this end the Government is prepared to grant concessions and privileges to limited plantation areas deemed necessary to sustain central and continuous operations of processing plants in connection with what production might be made by individual enterprise.

The Government of Liberia feels satisfied that the Government of the United States sympathizes with these fundamental objectives, and it is hoped that during this visit definite arrangements will be arrived at which will secure the cooperation of such agencies as might be suggested by the Government of the United States.

In placing the resources and territorial facilities of the Republic at the disposal of the Government of the United States so readily and fully to serve its war objectives, Liberia had expected that comparable

consideration would be given to her basic requirements for economic development. Certain understandings and commitments were, of course, arrived at at the time the Liberian Government took the above steps, but it cannot be said that these have materialized. These commitments were of a limited nature and had a primary military objective. They did not cover provisions for the exploitation of the natural resources of the country or provide for the handling of increased production by improved shipping facilities. It is felt that attention should be directed now specifically to these objectives. These are deemed to be:

a—Fullest development of such exportable products as palm oil, palm kernels, copra, coffee, kola nuts and piassava fiber, as well as a rounded agricultural economy.

b—Exploitation of mineral products, especially of the iron ore deposits which have already been the subject of serious discussion between our two governments.

c—The construction of a modern port.

From intimations and assurances given to the Liberian Government by authorities of the Government of the United States from time to time, the Liberian Government has been inspired by the feeling that aid in achieving the above objectives would flow from the collaborations which have taken place between our two Governments in recent years especially.

882.1561/7

Memorandum of Conversation, by Mr. Charles W. Lewis of the Division of Near Eastern Affairs

[WASHINGTON,] June 12, 1943.

Participants: Captain Struble, U. S. N.
 Captain Paul Foster, U. S. N.
 Captain Hale, U. S. N.
 Mr. Villard
 Mr. Lewis

Mr. Villard reviewed briefly the interest of the Department and of President Barclay in the construction of a port in Liberia, and then stated that President Roosevelt had indicated to Mr. Berle²⁶ that he was interested in seeing a port built in Liberia which could be utilized by our Navy, particularly for submarine purposes. Mr. Villard pointed out that while various points on the Liberian coast had been mentioned as possible sites for ports, including St. Paul River, Monrovia, Bassa Point and Hooper's Patch (both near Marshall), and Baffu Bay, we were not in possession of sufficient information to enable

²⁶ Adolf A. Berle, Jr., Assistant Secretary of State.

the Department to make a decision as to which would be the best site, engineering and other technical factors considered, particularly if the port were to serve for naval purposes. Mr. Villard explained that his object in bringing this question to the attention of the Navy Department was to propose that the Navy Department conduct a survey for the purpose of ascertaining the most suitable place for the construction of the proposed port. He suggested that this might be accomplished on the basis of data available in Washington, or it might be necessary, if the available data were found inadequate, to send some naval engineers to Liberia to conduct an on-the-spot survey.

Captain Struble said that he would be glad to make inquiries in the Navy Department with a view to obtaining its reaction to Mr. Villard's suggestion. Both he and Captain Foster were of the opinion that it might be advisable for the Department of State meanwhile to suggest to the President that he might wish to issue a directive to the Navy Department to conduct the survey. Mr. Villard agreed that this would probably be the best mode of procedure and informed the officers that their recommendation would be followed. At the suggestion of Captain Foster, it was also agreed that a statement should also be included in the communication to the President indicating the proposed means of financing the construction of the port and the amount of money which it was tentatively calculated would be needed for the project. The officers were informed that following informal conversations with Mr. Sidney De la Rue, of the Lend-Lease Administration, we had been assured by Mr. De la Rue of the interest of that agency in the project and had later been advised by Mr. De la Rue that the sum of \$5,000,000 had been included in OLLA's budget for the construction of a port in Liberia and for necessary access roads.

882.001 Barclay, Edwin/84

Memorandum of Conversation, by the Assistant Chief of the Division of Near Eastern Affairs (Villard)

[WASHINGTON,] June 19, 1943.

In the course of conferences with President Barclay in New York on June 17 and 18 I described what we proposed to do in regard to making a survey of the port sites in Liberia. On June 18 I conveyed the message of President Roosevelt to the effect that he had agreed with our recommendation that the survey should be made by a commission appointed by the Navy Department.

President Barclay was visibly pleased that the matter had advanced so far. However, he said jokingly that before the turkey was roasted

it would like to have a chance to say a few words as to the manner in which it would be carved up.

President Barclay said that the only condition he attached to the development of a port in his country was that it should be economically beneficial to Liberia. He said that he fully realized the strategic purposes to which it would be placed by the United States Government; that he had gathered as much from his conversation with President Roosevelt in Liberia; and that this strategic use of a harbor in Liberia would be satisfactory to him and to the Liberian Government. Nevertheless, any port which did not take into account the economic possibilities of Liberia and their systematic development could not meet with Liberia's approval.

The plan of appointing a United States naval commission to examine the port sites and make recommendations was fully approved by President Barclay, as well as by President-elect Tubman. Although the exact naval use of such a port was not mentioned, I received the impression that any manner in which the Navy desired to make use of the site would be agreeable to the Liberian Government. The President suggested that the sites to be examined should include Mamba Point at Monrovia, the mouth of the St. Paul's River, Marshall, Baffu Bay, and Fisherman Lake. President Barclay said that he personally would prefer not to have the harbor at Monrovia itself. He pointed out that Baffu Bay was ideal from the strategic point of view, but that no development whatever existed there and that it had no particular relation to the economy of the country.

I assured President Barclay that the naval engineers to be appointed for the purpose of the survey would have access to all the data in our possession and that they would fully take into account the desire of the Liberian Government to have the port located where it would benefit the country economically. President Barclay said that if the engineers approached the problem in a detached manner and took into consideration any recommendations or suggestions which the Liberian Government might have, it would be satisfactory to him.

882.1561/9

*Memorandum of Telephone Conversation, by Mr. Charles W. Lewis
of the Division of Near Eastern Affairs*

[WASHINGTON,] June 24, 1943.

I telephoned Captain Struble, with whom we have been having conversations concerning the possible construction of a port in Liberia, and asked him whether the Navy Department had as yet received

any directive from the White House with regard to the survey of port sites in Liberia. Captain Struble said that last Saturday, June 19, the General Board received a request from the White House for a statement as to where the Navy thought a port should be built. The Board replied that they thought that the port should be located where it could best serve the long-time commercial interests of Liberia, saying that navy needs could be fitted into any site selected on the basis of this consideration, but the Board did not indicate specifically where the port should be located. I said that it was our understanding that it had been the desire of the President that the Navy should make a survey for the purpose of making specific recommendations with regard to a port site and presumably, also, to prepare an estimate of probable cost. Captain Struble replied that he had not actually seen the communication from the White House to the Board nor the Board's reply but that it was his impression, from what he had heard, that the facts were as he had stated them. Captain Struble said he presumed that the White House would inform us of the Navy Department's report in due course.

882.1561/8

The Secretary of State to the Secretary of the Navy (Know)

WASHINGTON, July 1, 1943.

MY DEAR MR. SECRETARY: The Department recently suggested to the President, in view of his expressed interest in a proposal advanced by this Department for the construction of a port in Liberia, that it might be advisable to have an official survey made by the Navy Department of suitable port sites in that country for the purpose of determining the site which would best serve our naval purposes and the economic needs of Liberia. This suggestion was made because of the apparent absence of adequate data in Washington upon which to base a decision as to where the port should be located, engineering and other technical factors considered.

The Department was subsequently informed by the President that he had approved this suggestion and that the matter had been referred to the Navy Department.

It would be very much appreciated if you could advise me what action has been taken, or is contemplated, by the Navy Department in regard to the survey.

Sincerely yours,

CORDELL HULL

882.1561/10

President Roosevelt to the Secretary of State

WASHINGTON, July 3, 1943.

MY DEAR MR. SECRETARY: Replying to your letter of 16 June 1943²⁷ in regard to the construction of a port in Liberia, I have consulted the Secretary of the Navy on this question. He recommends that construction of the port be proceeded with as practicable, and that as an initial step a survey be made, under direction of the Navy Department, to determine its location.

The Secretary of the Navy desires that provision be made in the port for establishment of an outlying base for submarines and patrols. It is suggested that you communicate directly with him in regard to further procedure with the project.

The interest of the Navy Department is associated with the security of South America, particularly Brazil, but the value of a port in Liberia is largely dependent upon continued use by the United States of Ascension Island and Dakar and the air fields at those places. Please be guided by the above considerations in future conversations by the Department of State with interested countries.

Very sincerely yours,

FRANKLIN D. ROOSEVELT

882.1561/10

The Secretary of State to the Secretary of the Navy (Know)

WASHINGTON, July 15, 1943.

MY DEAR MR. SECRETARY: I have received a letter dated July 3, 1943 from the President stating that he had consulted you regarding the construction of a port in Liberia and that you had recommended a survey of possible port sites as an initial step in this project.

I concur in this recommendation and believe that the survey should be undertaken by the Navy at the earliest practicable moment. The Government of Liberia is agreeable to the proposed port construction and will, I am confident, cooperate in any survey that may be made.

This Department will be glad to be of any assistance possible in the matter. The Division of Near Eastern Affairs has certain data in this connection which it will make available to appropriate officials of the Navy upon request.

Sincerely yours,

CORDELL HULL

²⁷ Not printed.

882.1561/10

The Secretary of State to President Roosevelt

WASHINGTON, September 4, 1943.

MY DEAR MR. PRESIDENT: With reference to your letter of July 3, 1943, concerning a survey to be made, under the direction of the Navy Department, to determine the location of a proposed port in Liberia, a communication has been received from the Navy Department²⁸ stating that its preliminary survey has been completed and that a careful study of engineering reports and other data available has led to the conclusion that the best site for the port is the estuary of the St. Paul River, four or five miles north of Monrovia. It is added, however, that probings and probably borings will be required to determine whether the cost of a port at this site would be prohibitive. Should a survey at the site indicate that the cost of the development would be prohibitive the Navy Department then recommends that Mamba Point, adjacent to Monrovia, be surveyed as an alternative site. The Navy Department feels that the survey on the St. Paul River site and, if necessary, on the Mamba Point site might well be undertaken by a civilian company, under an appropriate contract with the Liberian Government, but it has expressed its willingness to detail one or more observers to be present during the survey.

Since the Liberian Government does not have funds available for such a survey, it will be necessary, if the project is to be carried forward as suggested by the Navy Department, for this Government to provide the funds.

The Raymond Concrete Pile Company, a large and reputable American construction company, which is favorably known to the Navy Department, has estimated the cost of effecting the survey at the St. Paul River at \$85,000. The Navy Department feels that this is a reasonable estimate.

On the basis of a War Department estimate made some months ago, it is calculated that a port could be constructed at the St. Paul River for \$8,580,000. This estimate includes the cost of constructing docks, warehouses, water, light and sanitary facilities and oil storage tanks, which would form a part of the permanent harbor works. Adding the cost of the survey, the total cost of the port would be approximately \$8,665,000.

The Lend-Lease Administration, with which the Department has had conversations on the subject, is understood to have funds available for the project. However, the Lend-Lease Administration will wish a directive from you before allocating the money.

²⁸ Dated August 10, not printed.

If the port project is undertaken an agreement will be entered into between this Government and the Liberian Government for the protection of our naval interest in the port.

The Department recommends that the work be proceeded with as soon as possible. May I have an indication of your wishes in the matter?

Faithfully yours,

CORDELL HULL

882.1561/10

President Roosevelt to the Secretary of State

WASHINGTON, 14 September 1943.

DEAR MR. SECRETARY: The recommendation in your letter of 4 September 1943 for the construction of a port in Liberia, meets with my approval. In concluding your negotiations in this matter with the Liberian Government provision should be made for protection of United States military, air and naval interests in the port with particular reference to our future operational rights there.

Allocation of Lend-Lease funds for this project within the general limitation outlined in your letter is authorized. It is to be understood, however, that the work shall be performed by private contractors since military and naval personnel cannot be assigned without detriment to the war effort.

Very sincerely yours,

FRANKLIN D. ROOSEVELT

882.1561/10

The Secretary of State to the Lend Lease Administrator (Stettinius)

WASHINGTON, September 24, 1943.

MY DEAR MR. STETTINIUS: I enclose for your information a copy of a letter which the Department addressed to the President under date of September 4, 1943,^{28a} regarding the proposed construction of a port in Liberia, and a copy of the President's reply, dated September 14, 1943,²⁹ in which the President states that allocation of Lend-Lease funds for the project within the general limitation outlined in the Departments's letter is authorized.

Mr. Walter F. Walker, the Liberian Consul General in New York, is being requested by the Department to consult with the Office of Lend-Lease Administration with regard to procedure in filing a requisition for funds for the port project.

^{28a} *Ante*, p. 685.

²⁹ *Supra*.

A draft of a proposed agreement between the Liberian Government and the Government of the United States with respect to the construction and operation of the port is being prepared by the Department and will be transmitted to you shortly for such suggestions and comments as the Office of Lend-Lease Administration may care to offer.

Sincerely yours,

CORDELL HULL

882.1561/20

The Acting Secretary of State to the Minister in Liberia (Walton)

No. 362

WASHINGTON, November 3, 1943.

SIR: There is enclosed herewith a draft³⁰ of a proposed agreement with Liberia relating to the construction of a port and port works on the coast of Liberia.

There is enclosed also a Full Power,³⁰ signed by the President, authorizing you to negotiate, conclude and sign an agreement between the Government of the United States of America and the Government of the Republic of Liberia relating to the construction of a port and port works on the coast of Liberia.

It is requested that at your earliest convenience you take up with the appropriate Liberian authorities the matter of negotiating, concluding and signing an agreement along the lines of the enclosed draft. The draft has the approval of the interested authorities of this Government. It should be understood that in the course of negotiations for an agreement of the character here proposed, either Government retains full liberty to propose such changes or modifications before the agreement is signed as may be considered by such Government to be desirable. It is expected that the Liberian authorities may wish to propose certain changes or modifications in the draft, in as much as they have not been afforded an opportunity to express their views concerning the terms of the proposed agreement or concerning the phraseology of the draft, except in so far as their views may have been reflected by informal comments made by the Liberian Consul General at New York.

It is requested that you inform the Department with respect to any counterdraft or counterproposal which may be received by you from the Liberian authorities in connection with this matter. The Department will send you such further instructions as may seem to it to be necessary as a result of any counterproposals which may be made by the Liberian authorities.

Alternat copies of the agreement will be prepared by the appropriate Liberian authorities for signature in Monrovia, after the text has

³⁰ Not printed.

been agreed upon by both Governments. The form of the *alternat* is explained at large in Foreign Service Regulations, Chapter XI, section 2. Before signing the agreement the Legation will undertake to make certain that the text as prepared for signature is in all respects the same as the text agreed upon.

When the agreement has been signed you will transmit to the Department the original signed *alternat* for the United States of America.

You should inform the Department by telegram in advance of the date fixed for the signing of the agreement, for the attention of the Treaty Division, in order that the Department may prepare an appropriate press release. You should also inform the Department by telegram when the agreement has been signed.

Very truly yours,

For the Acting Secretary of State:
A. A. BERLE, JR.

882.1561/25 : Telegram

The Minister in Liberia (Walton) to the Secretary of State

MONROVIA, December 4, 1943—3 p. m.

[Received December 6—5:20 a. m.]

202. Cabinet Friday favorably considered port project. Agreement is likely to be concluded and signed week of December 13.

WALTON

882.1561/26 : Telegram

The Minister in Liberia (Walton) to the Secretary of State

MONROVIA, December 13, 1943—6 p. m.

[Received December 14—9:08 p. m.]

211. Liberian Government proposes that article 5 of proposed agreement, a copy of which was transmitted ³¹ with Department's instruction No. 362, November 3, 1943, be amended to read that

“Immediately after the completion of the port and port works and access roads, or from such date as the port is in a condition to receive ships and cargo, a port authority should be set up which shall be a municipal corporation with obligation appertaining to such corporation and under the joint and equal management and control of American and Liberian membership.”

WALTON

³¹ Not printed.

882.1561/26 : Telegram

The Secretary of State to the Minister in Liberia (Walton)

WASHINGTON, December 16, 1943—9 p. m.

139. The Department does not understand, reference your telegram no. 211, December 13, what is meant by "a municipal corporation with obligation appertaining to such corporation". Please elaborate, particularly as regards how Americans could participate in a Liberian municipal corporation.

HULL

882.1561/27 : Telegram

The Minister in Liberia (Walton) to the Secretary of State

MONROVIA, December 21, 1943—2 p. m.

[Received 9:11 p. m.]

217. Liberian Government eliminates all reference to "municipal corporation" referred to in Department's No. 139, December 16, 9 p. m. Recommends "there be incorporated in article 5 that board of directors or port authority shall be composed of joint and equal membership of Americans and Liberians in the nature of a company or corporation to be organized and operated under the laws of Liberia with the right to make contracts, sue and be sued, plead or be impleaded in any court of Liberia."

Prompt reply would be appreciated.

WALTON

882.1561/26 : Telegram

The Secretary of State to the Minister in Liberia (Walton)

WASHINGTON, December 29, 1943—11 p. m.

143. The last sentence, paragraph 1 of Article 5, reference your telegram no. 217 of December 21, makes provision for "adequate and equitable representation" for Liberia on the board of directors. While "adequate and equitable" remains to be defined in the operating contract, it is the desire of this Government that Liberia should be afforded a voice in the operation of the port sufficient to represent the Government's point of view and to afford Liberians an opportunity to become fully familiar with modern port operations, looking forward to the time when operating control and ownership of the port will pass to Liberia. In order that the Liberian Government might know what we have in mind it is contemplated that the board

of directors would be composed of five members, two of whom would be Liberians. It is our view that one of these should be the Liberian Secretary of the Treasury and the other appointed by the President of Liberia.

Considering the probable cost of the port and the fact that the project is not to be paid for from revenues of the Liberian Government but from the port itself, this Government feels that operating control must, in the final analysis, rest with the American company. It is not certain that this could be accomplished under joint control. It should be emphasized that the third paragraph of Article 5 gives the Liberian Government recourse in the event it should become dissatisfied with the performance of the operating company.

No objection is perceived to the proposed legal position of the company or corporation, but this can be taken care of in operating contract.

Please communicate the above views to the Liberian Government and state that this Government will not fail to consider always the interests of Liberia.

HULL

882.1561/28 : Telegram

The Minister in Liberia (Walton) to the Secretary of State

MONROVIA, December 31, 1943—8 p. m.
[Received January 1, 1944—5:44 a. m.]

222. Agreement for construction of port and port works on the coast of Liberia was concluded and signed today at 6 p. m. by Secretary Simpson and myself.³² Department's No. 143, December 29, 11 p. m., was received this forenoon and views expressed therein were directed to the attention of President Barclay and Secretary Simpson. Point raised by Liberian Government was clarified to their complete satisfaction. No change was made in original text of agreement.

The signing of agreement will have been the last important transaction performed by the Barclay administration.

I was given no opportunity to comply with last paragraph of instruction No. 362, November 3, 1943, that I telegraph Department in advance of date fixed for the signing of the agreement for the attention of the Treaty Division.

WALTON

³² For text of the agreement, see Department of State Executive Agreement Series No. 411, or 58 Stat. (pt. 2) 1357.

ATTITUDE OF THE DEPARTMENT OF STATE WITH RESPECT TO THE
CONCERN OF THE FIRESTONE PLANTATIONS COMPANY REGARD-
ING NEW LABOR LEGISLATION ADOPTED IN LIBERIA

882.5041/13

*Memorandum of Conversation, by the Assistant Chief of the Division
of Near Eastern Affairs (Villard)*

[WASHINGTON,] January 22, 1943.

Participants: Harvey S. Firestone, Jr.³³
Mr. B. H. Larrabee, Vice President, Firestone Planta-
tions.
Mr. Villard

Mr. Firestone brought in a copy of a radio message³⁴ from the resident manager³⁵ of the Firestone Plantations transmitting the text of a bill which had been passed this week in the Liberian Legislature fixing a minimum wage for workmen and defining and protecting the rights of the working classes in Liberia. It appeared that this bill had been introduced in the Liberian House on January 18, passed the same day, and passed by the Senate on January 20. The bill is scheduled to go into effect on February 1, 1943 and apparently only awaits the signature of President Barclay.

Mr. Firestone said that in his opinion this bill would create chaos in Liberia and would have a most adverse effect on the stability of the country at this critical juncture. He said that Liberia was not even remotely ready for labor legislation of this character and that it would play havoc with Firestone's present urgent attempt to increase substantially the production of rubber. Mr. Firestone did not believe that the Liberian Government was capable of carrying out any such legislation at this time and that great confusion would be caused by introduction of the law. Mr. Larrabee called particular attention to the provision of Section 9, which included a penalty of not to exceed \$1,000 for the utterance of "any abusive language having a racial basis" directed against any Liberian by a foreign employer. This in itself, Mr. Larrabee felt, would afford a basis for innumerable unjustified complaints and would require the employment of several additional lawyers by Firestone. Mr. Larrabee also felt that the time and a half for overtime provisions of the law, as well as the provision regulating the hours of employment for such persons as chauffeurs, etc., would enormously complicate Firestone's operations.

Both Mr. Firestone and Mr. Larrabee did not seem so much concerned at the possible effect of this measure on expenditures under the Firestone payroll as they did at the difficulties in carrying out the law.

³³ President, Firestone Plantations Company.

³⁴ Not printed.

³⁵ George H. Seybold.

Mr. Firestone suggested that the Department should bring to President Barclay's attention certain considerations which ought to be taken into account before the measure became a law. One such consideration was the great difficulty of administering and enforcing such a law in Liberia's present state of development, when similar measures had been found to present most complicated problems in the United States. Another effect of the measure would undoubtedly be to discourage any foreign enterprise from entering Liberia and assisting in the economic development of the country.

I told Mr. Firestone that we had received no word whatever from Monrovia on this subject and that the move was as much of a surprise to us as it was to him. I said we would be prepared to send a telegram to our Chargé d'Affaires instructing him to report on the measure and that we would consider the possibility of asking President Barclay to delay further action until our observations, pertaining to Liberia's welfare, could be brought to his attention.

Mr. Firestone commented that in his opinion this act by President Barclay was in the nature of a "swan song", since the President's tenure of office expires a year from now and he probably wished to go on record as having enacted something of great benefit to Liberia's working classes.

I said I would let Mr. Firestone know the results of any action we might take.

882.5041/5a : Telegram

The Secretary of State to the Chargé in Liberia (Hibbard)

WASHINGTON, January 22, 1943—7 p. m.

7. Department has been informed by Firestone of the provisions of a bill in the Liberian Legislature this week fixing a minimum wage for workmen and "protecting the interest of the working classes." It is observed that the act is to go into effect on February 1, 1943.

Please telegraph immediately a report on this measure and an estimation of its effects.

HULL

882.5041/6 : Telegram

The Chargé in Liberia (Hibbard) to the Secretary of State

MONROVIA, January 26, 1943—10 a. m.

[Received 5:47 p. m.]

11. Department's telegram number 7, January 22, 7 p. m. Firestone Plantations Company has cabled full text of the bill to Akron and I have requested that the Department be furnished a copy immediately for study.

The following are my comments:

There has been a growing trend in all countries for the past few years and particularly since the war to enact social legislation. Barclay has been more and more influenced by this as he leans strongly to the left. In addition he is nationalistic, xenophobe and antiwhite. These predominant characteristics have produced this bill which is solely his own.

The country is not prepared for such legislation nor is it necessary from the point of view of the people since in the proper sense of the term as understood in developed industrial countries, there are no working classes in Liberia.

Firestone is the largest employer of labor in the country now having approximately 20,000 on the payroll. These have freely and voluntarily abandoned their tribal life to work for Firestone so they cannot be said to be exploited, particularly as they already have housing, medical care and other benefits provided for in this bill which do not exist anywhere else in the country. Wages have recently been raised and the prices of imported goods sold to them are kept below cost. It is doubtful if another thousand individuals can be found in the country who are employed for a daily cash wage under similar conditions.

The next largest employ[er] of labor is the Government which is specifically exempted from the terms of the bill.

All persons employed for a daily, weekly or monthly wage are covered by the bill. Certain categories are specifically enumerated but of these only a few have minimum wages fixed. Those with wages fixed are for the most part employed by Firestone or other foreigners. The terminology is loose. For instance when is a mechanic skilled and who determines this. No provision is made for junior or apprentice employees, a very necessary system where no opportunities for training are available. The wages of household servants are not fixed.

The sections dealing with the employment of foreigners is unnecessary. No one would go to the expense of importing office workers if they were available in quantities in the country but they are not and the Government has never provided any means of training such workers.

The provision for setting up labor courts and the administration of this bill is unclear and incomplete. Those who have observed the inefficient and venal operation of the ordinary courts of law here fully realize the impossibility of there being any fair administration of this complicated measure. Moreover the ordinary courts would seem to have jurisdiction making the establishment of other bodies an unnecessary expense.

Sections 9 and 19 are definitely discriminatory. The former is unnecessary since ordinary courts have sufficient jurisdiction. The

latter can never be enforced against a Liberian as not more than a dozen have 5,000 dollars and they will not be convicted.

To sum up:

(1) The bill is discriminatory being designed to affect Firestone and other foreign firms exclusively and will not be administered against Liberians. Most of them including the legislators freely admit this.

(2) There are not sufficient people qualified to administer the bill. The result will be a constant harassing of employers on petty and venal charges.

(3) Present wages and working conditions provided by foreigners do not make the bill necessary and workers are not demanding it.

(4) The result to us will be to raise the production cost of rubber over a cent a pound on an estimated yield of 32,000,000 without needed benefit to labor.

(5) The effect on Liberia will be inflation and discouragement of the investment of foreign capital in post-war development and exploitation which is the country's only salvation.

Although some such legislation as this was foreshadowed in Barclay's annual message the bill has been prepared in secret by him and there has been an attempt to jam it through without discussion.

HIBBARD

882.5041/7 : Telegram

The Chargé in Liberia (Hibbard) to the Secretary of State

MONROVIA, January 27, 1943—6 a. m.

[Received 10:11 a. m.]

12. My telegram No. 11, January 26, 10 a. m. The amendments to the bill passed by the Senate yesterday have been telegraphed to Akron with the request to forward them to the Department immediately. They do not alter the bill materially. It will be presented to the House today where amendments will unquestionably be agreed to. Barclay has 5 days in which to sign but present indications are that he will do so at once.

HIBBARD

882.5041/7 : Telegram

The Secretary of State to the Chargé in Liberia (Hibbard)

WASHINGTON, February 1, 1943—7 p. m.

17. Your 12, January 27, 6 a. m. Department has been informed by Firestone that labor bill was passed by Legislature January 29. However, the President intimated on his return from Africa³⁶ that the subject had been broached to President Barclay and a solution reached. Please report any information you may have.

HULL

³⁶ For a report on President Roosevelt's visit to Liberia, see p. 658.

882.5041/8 : Telegram

The Chargé in Liberia (Hibbard) to the Secretary of State

MONROVIA, February 2, 1943—6 p. m.

[Received February 3—11:19 p. m.]

16. Department's telegram 17, February 1, 7 p. m. The labor bill has passed and became effective yesterday although not yet published. Some amendments were made by the Senate and House which clarify it somewhat but the principal provisions remain the same. I hope to send a copy of the final text by air mail³⁷ pouch leaving tomorrow.

I mentioned the bill to President Roosevelt and know that he discussed it with Barclay. However, his visit was so short and so crowded that he did not have time to inform me of what was said.

Seybold called on Barclay yesterday to present the objections of the Firestone Company. Barclay was affable but firm and brushed aside all objections preferring to discuss his impressions of his conversation with President Roosevelt. As regards point 1 of these objections which raises the issue of the labor provisions of the planting agreement, Barclay said he would not endeavor to abide by this point of the agreement even though he signed it, as to do so would be to deny the constitutional right of citizens to appeal to Government for protection in the regulation of labor conditions. He emphasized that the bill is experimental and that if any of the provisions are found unworkable or detrimental to either side they will be altered or abolished. This may be the solution to which President Roosevelt refers.

Seybold gained the impression from this interview that Barclay believes he has the full approbation of the President.

HIBBARD

882.5041/12

Memorandum of Telephone Conversation, by the Assistant Chief of the Division of Near Eastern Affairs (Villard)

[WASHINGTON,] February 4, 1943.

Mr. Larrabee telephoned from Akron to say that a reply had been received from the Firestone Plantations' resident manager in Liberia, Mr. Seybold, as to the results of his discussion with President Barclay on the terms of the new labor law. The law had been signed by President Barclay on February 1 and was in effect.

Mr. Seybold had reported that President Barclay regarded the measure as an experimental one and that changes might be made in the future. He seemed determined, however, to keep the measure itself in force for at least a year. In this attitude President Barclay

³⁷ Despatch No. 26, February 8, not printed.

apparently believed that he had the support of President Roosevelt, who, in discussing the Atlantic Charter³⁸ and its application to colored peoples, had said it was planned to establish minimum living standards everywhere after the war.

Mr. Seybold had protested that the provisions of the labor law conflicted with the agreement between the Firestone Company and the Liberian Government, which regulated the employment of labor on the rubber plantations. President Barclay had replied that conditions had changed since the signing of that agreement, and that to observe such conditions today would deprive Liberians of their constitutional rights.

It appeared that in the conversation between President Roosevelt and President Barclay, as reported by Mr. Seybold, President Roosevelt had mentioned the fact that he had discussed with Lord Swinton³⁹ labor questions and taxes in the British African colonies. President Roosevelt had asked Lord Swinton what became of the taxes collected in the British colonies, to which Lord Swinton had made no answer.

Mr. Larrabee then went on to say that the Firestone Company was compelled to serve notice on the Liberian Government that it did not consider itself bound by the labor law and that it regarded the provisions thereof as a direct violation of the Firestone contract. Mr. Seybold was accordingly being instructed to inform President Barclay to this effect. It was fully realized by the company that this would mean a head-on collision and that serious trouble might ensue, but owing to the impossibility of producing rubber successfully under the conditions of the law the Firestone Company had no alternative.

I asked Mr. Larrabee what in particular the company objected to in the law. He replied that the Firestone interests had no objection to the wage provisions and were quite willing to adhere to any other fair standard of wages on the West African coast. However, it would be impossible to administer the plantations on the basis of a 48-hour week with time and a half for overtime. The company also felt that the reference to racial matters in section nine would make that portion of the law impossible to observe. The company also felt that the law was unworkable because there was no provision for study or adjustment of disputes and no appeal except to a Liberian circuit court. Moreover, the labor judges to be set up under the provisions of the law would have the power to permit wholesale strikes in the event that the company did not abide by a decision of such a judge, and no appeal was possible in this case either. The law would

³⁸ Joint Declaration by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations*, 1941, vol. 1, p. 367.

³⁹ British Minister Resident at Accra.

be enforced by executive decree, rather than along constitutional lines.

I asked Mr. Larrabee if he would send us a copy of Mr. Seybold's report, which he promised to do. He said that he would be glad to come to Washington to discuss the matter at any time, but in the meantime he felt that the Department should be aware of the stand which his company is taking and of the serious results which would probably ensue.

882.5041/15

Memorandum of Conversation, by the Assistant Chief of the Division of Near Eastern Affairs (Villard)

[WASHINGTON,] February 8, 1943.

Mr. Larrabee came in to discuss the recently passed workmen's compensation and protection act in Liberia. He reviewed details of his company's problems in this connection for about an hour.

It was made clear by Mr. Larrabee that the Firestone Company declined to recognize the applicability of the legislation to the Firestone Plantations. Mr. Larrabee said that the labor provisions which had been agreed upon between the company and the Liberian Government had been incorporated into the Planting Agreement as late as 1937 and that at no time had the company received any intimation from the Government that these provisions were unsatisfactory. Through its resident manager in Liberia the company had now served notice on President Barclay that it would not consider itself bound by the recently enacted legislation. As the Firestone Company had invested about \$18,000,000 in developing its rubber operations in Liberia, it intended to take a firm stand in the matter and to fight any attempt on the part of President Barclay to enforce the law on the Plantations.

Mr. Larrabee inquired whether the Department intended to take any further action. I said that it did not seem possible to make any move at present, especially as President Barclay had indicated that the law was an experimental one and could be adjusted if difficulties should develop. I said that if the interests of the company were endangered by the application of the law and serious results ensued, the matter could probably be reconsidered here and consideration given to what action, if any, we might be in a position to take.

Mr. Larrabee remarked that the longer the matter was allowed to drift, the more difficult it would be to obtain an adjustment. He said the company was prepared to face serious labor troubles if the Liberian Government insisted on carrying out the provisions of the law.

Mr. Larrabee said that according to information received from the Firestone resident manager the law would have to be implemented by an executive decree, which would provide the detailed mechanism. So far President Barclay had not issued such a decree.

I asked Mr. Larrabee to keep us informed of all developments, which he promised to do.

882.5041/15

*Memorandum by the Assistant Secretary of State (Berle) to the Under Secretary of State (Welles)*⁴⁰

[WASHINGTON,] February 11, 1943.

MR. WELLES: I think we should go very slowly about the Firestone suggestion that we protest against the labor law in Liberia. On examination it develops that the only major objection is that clause in the law which subjects the company to fine or imprisonment if there is abuse or discrimination against any worker by reason of his race. This, while relatively innocuous in and of itself, the company thinks will form the basis of a great many blackmail suits, augmented by the venality of the Liberian courts.

But it seems to me that our job is to step in if there is denial of justice. I should question whether the disturbance to the company was likely to be as great as they represent.

I think we were wise in not moving in to prevent enactment of the law as Firestone men wished; and my general feeling is that the Firestone people are crying before they are hurt. If the situation arises, we can probably untangle it without too much difficulty.

A[DOLF] A. B[ERLE], JR.

882.5041/25 : Telegram

The Minister in Liberia (Walton) to the Secretary of State

MONROVIA, July 9, 1943—10 a. m.

[Received 4:10 p. m.]

116. President Barclay informs me labor law is experimental and subject to change. He intimates that growing out of conversations at Akron, there is a possibility of legislature at next session modifying provision regarding agricultural labor.

WALTON

⁴⁰ Marginal notation by Mr. Welles: "I agree—SW."

882.5041/28 : Telegram

The Minister in Liberia (Walton) to the Secretary of State

MONROVIA, August 27, 1943—4 p. m.

[Received August 27—3 : 42 p. m.]

149. President Barclay informed me today he favored modification of new labor law with respect to agricultural workers and intimated that changes would be made at next session of legislature.

He stated that any such legislative action would be designed to work to the advantage of both Firestone and the Liberian planters. However, he does not believe similar steps should be taken regarding factory workers.

Changes in labor law proposed by Firestone are being studied by Attorney General.

WALTON

UNWILLINGNESS OF THE LIBERIAN GOVERNMENT TO GRANT TAX EXEMPTIONS FOR PAN AMERICAN AIRWAYS EMPLOYEES IN LIBERIA

811.79682/62a : Airgram

The Secretary of State to the Minister in Liberia (Walton)

WASHINGTON, July 26, 1943—noon.

A-22. In the contract concluded between the Government of Liberia and Pan American Airways on July 14, 1941,⁴¹ authorizing the company to establish aerial transportation in Liberia, provisions relative to taxation of the company are contained in Article 6 as follows:

“Sixth: The Government agrees that the Company shall be granted free entry on the importation of aviation fuel and lubricating oil for the use of its airplanes as well as on spare parts and accessories for its airplanes and radio equipment and all material and equipment used in building and equipping aerodromes and landing fields. It is expressly understood, however, that such exemption from import duties does not apply to importations for the personal use of its officials and employees nor for material and supplies for use on its motor boats and launches. The Government agrees not to impose special or discriminatory taxes or fees on the Company or its business during the life of this Contract. Stamp duty will be assessed on tickets, permits of residence and all other documents which are required by the laws of the Republic to be stamped. The Company shall enjoy no exemption from taxes or fees except those expressly enumerated in this contract.”

A somewhat more liberal provision for exemption from taxation was included in the agreement relative to Defense Areas entered into

⁴¹ For correspondence regarding this contract, see *Foreign Relations, 1941*, vol. III, pp. 536-549, *passim*.

between the Government of the United States and the Government of Liberia on March 31, 1942 (Executive Agreement Series 275),⁴² in which the Government of Liberia granted to the Government of the United States the right to construct, control, operate, and defend such military and commercial airports in the Republic of Liberia as might mutually be considered necessary. Article 4 of the Defense Areas Agreement provides:

“All materials, supplies and equipment for the construction, use and operation of said airports of the United States Government and for the personal needs of the military and civilian personnel and their families, shall be permitted entry into Liberia free of customs duties, excise taxes, or any other charges, and the said personnel and their families shall also be exempt from all forms of taxes, assessments and other levies by the Liberian Government and authorities, including exemption from Liberian regulations pertaining to passports, visas and residence permits.”

In view of the fact that Pan American Airways is now operating certain services under contract with the United States Army and Navy and may be said to be acting as an agent for the military services, carrying no civilians other than those whose transportation has been approved as essential to the prosecution of the war, and in view of the fact that substantially all of the tax payments made by Pan American Airways to the Liberian Government in regard to such services are expenses for which the United States Government must reimburse the Company under its contract with the United States Government, the War Department has expressed the view that Pan American Airways is entitled to the tax exemptions provided for in Article 4 of the Defense Areas Agreement of March 31, 1942 in connection with such services.

Pending further instructions the Department does not desire that the matter be taken up with the Liberian authorities but wishes to have your comment on the question of an approach to the Liberian Government in an effort to obtain for Pan American Airways and its personnel the exemptions mentioned in Article 4 of the Defense Areas Agreement. At the same time please advise the Department as to the number of Pan American employees now working on the airports involved.

HULL

⁴² For correspondence respecting this Agreement, see *Foreign Relations, 1942*, vol. iv, pp. 355 ff., *passim*.

811.79682/65

The Minister in Liberia (Walton) to the Secretary of State

No. 190

MONROVIA, November 3, 1943.

[Received November 16.]

SIR: I have the honor to refer to the Department's Airgram No. A-22, July 26, 1943, and to state that, in my opinion, there is little or no likelihood of obtaining for Pan American Airways and its personnel the exemptions in Article 4 of the Defense Agreement of March 31, 1942, between the Government of the United States and the Government of Liberia, because: (1) It is quite probable that the Government of Liberia would take the position that such an amendment would become coterminous with the life of the Agreement concluded between the Government of Liberia and Pan American Airways on July 14, 1941; (2) It would appear that the Liberian Government is inclined to believe that Pan American Airways is carrying others than members of the armed forces and civilians whose transportation has been approved as essential to the prosecution of the war.

It has occurred to me that probably a temporary arrangement might be effectuated designed to obtain for the duration the desired exemptions for Pan American Airways and individual members of the Pan American Airways staff.

Respectfully yours,

LESTER A. WALTON

811.79682/67a : Airgram

The Secretary of State to the Minister in Liberia (Walton)

WASHINGTON, November 27, 1943—6:30 p. m.

A-35. In an airgram dated July 26, 1943, No. A-22, the Department requested your comments on the question of whether an approach to the Liberian Government should be made in an effort to obtain for Pan American Airways and its personnel the exemptions from taxation provided for in Article 4 of the Defense Areas Agreement entered into between the Government of the United States and the Government of Liberia on March 31, 1942 (Executive Agreement Series 275). This agreement contains more liberal provisions for exemption from taxation than the provisions relative to taxation contained in Article 6 of the contract concluded between the Government of Liberia and Pan American Airways on July 14, 1941.

In the Legation's despatch No. 190, dated November 3, 1943, it is pointed out that there is little or no likelihood of obtaining the more liberal exemptions for Pan American Airways and its personnel on an unlimited basis. However, the second paragraph of the despatch

suggests that probably a temporary arrangement might be made to obtain the desired exemptions for Pan American Airways and individual members of the Pan American Airways staff for the duration of the war. This suggestion is in line with the Department's intention in requesting your comments in airgram A-22 of July 26.

In as much as you have expressed the opinion that such exemptions might be obtained for the duration of the war, you may, unless you see some objections thereto, approach the Liberian Government with a request that Pan American Airways and its personnel be granted the exemptions mentioned in Article 4 of the Defense Areas Agreement for the period during which the Agreement will remain in force which will be for the duration of the war and not to exceed six months thereafter in connection with services which Pan American Airways operates under contract with the United States Army and Navy.

HULL

811.79682/68 : Airgram

The Minister in Liberia (Walton) to the Secretary of State

MONROVIA, January 6, 1944—4 p. m.

[Received January 21—11 a. m.]

A-1. Referring to the Department's airgram A-35, November 27, 1943, 6:30 p. m., the Liberian Government would not be unfavorable to according Pan American Airways exemptions of taxation with respect to all materials, supplies and equipment for the construction, use and operation of airports of the United States for the duration of the war and 6 months thereafter. However, the Liberian Government does not see its way clear to grant exemptions of taxation on materials and supplies imported into Liberia for the personal use of civilian personnel and the families of Pan American Airways.

WALTON

NEGOTIATIONS REGARDING BRITISH USE OF AMERICAN AIR BASES
IN LIBERIA⁴³

882.7962/148

*The British Minister (Campbell) to the Assistant Secretary of State
(Berle)*

2171/45/42

WASHINGTON, January 1, 1943.

MY DEAR MR. BERLE: You will remember that on December 10th we had some conversation about the question of landing rights for the B.O.A.C.⁴⁴ in Liberia. I reported our conversation to London

⁴³ Continued from *Foreign Relations*, 1942, vol. iv, pp. 407-419.

⁴⁴ British Overseas Airways Corporation.

and also to Lord Swinton, the Resident Minister at Accra. In doing so I let them know that our conversation had covered a fairly wide range and that we had, for instance, got onto the wider topic of relations between the services generally in West Africa, and steps it might be useful to take in that connection.

We have now had a telegram from Lord Swinton saying that he feels it is most important that the question of facilities at Roberts Field and Fisherman's Lake should not get tangled up with wider issues. He points out that B.O.A.C. in Liberia will be operating strictly and solely for British Government account, and that we are asking nothing more in the way of facilities than United States aircraft have received at a large number of British aerodromes.

I think there is something in Lord Swinton's point about the importance of disentangling this particular question from the wider issues to which you referred in our conversation and which presumably may take a certain amount of time to discuss. I feel sure that the intention you expressed to have it handled on this basis will help towards an early solution.

Lord Swinton has also raised in his telegram the issue of facilities for the Royal Air Force at Fisherman's Lake and Roberts Field. Such facilities are again similar to those which United States aircraft receive at such a great number of Royal Air Force aerodromes, and at French airfields under the agreement between General Eisenhower and Monsieur Boisson.⁴⁵ The Royal Air Force have however not yet been able to obtain facilities at the Liberian fields under the control of the United States authorities. You will remember that in our last conversation I informed you that General FitzGerald⁴⁶ had spoken to Lord Swinton at Accra on November 30th about American plans for ferry and re-inforcement routes, which involved the use of facilities at Bathurst, that Lord Swinton had said he could count on being able to use these facilities and had then referred to the difficulties we were experiencing over the use of facilities in Liberia not only for the B.O.A.C. services but also for the operations of the Royal Air Force. Lord Swinton had not however been able to make any headway, since General FitzGerald expressed doubt that the facilities required by the Royal Air Force for their operations were really necessary. Since this is primarily a technical military matter, the pros and cons of which can, as you will I think agree, best be discussed between technicians, I am, now that Lord Swinton has again reverted to it, suggesting to the Joint Staff Mission here that it should be taken

⁴⁵ With regard to cooperation between the United States and the French authorities in French West Africa, see George F. Howe, *Northwest Africa: Seizing the Initiative in the West*, in the series *United States Army in World War II: The Mediterranean Theater of Operations* (Washington, Government Printing Office, 1957), pp. 271-272.

⁴⁶ Brig. Gen. S. W. Fitzgerald, Commanding General, United States Armed Forces in Central Africa.

up with the Combined Chiefs of Staff. I feel, however, that you should be aware of the position.

Very sincerely yours,

R. I. CAMPBELL

882.796/29

*Memorandum of Conversation, by the Assistant Secretary of State
(Berle)*

[WASHINGTON,] January 20, 1943.

Sir Ronald⁴⁷ came in to see me at his request.

He raised again the problem of landing rights for BOAC planes in Liberia. With some hesitation he said the dispute had now obviously got to a difficult and acute phase. The British Government was embarrassed because inability to stop at Liberia had forced suspension of operations between Takoradi and Freetown. His cable of instructions said his Government considered this "unjustifiable in face of the recent agreement of the British Government to permit American Airways and Transcontinental Western Airways to set up headquarters in Gambia, having a scheduled service between Accra and Bathurst". The instruction further said that while the British wanted to be sympathetic with the American air services traversing British territory, the Liberian incident was making trouble. For instance, it made it difficult to agree to our request for an agreement that the Army Transport Command might carry mail to the Middle East. Sir Ronald said he was unhappy that an incident which appeared to turn on the local dispute in Liberia should lead to this kind of thing.

I avoided the use of the obvious word "reprisal" and said that it seemed to me in the highest degree unhappy. I felt that, quite irrespective of antagonisms, we ought to reach an agreement on arrangements necessary for the war effort without prejudice to any post-war arrangements, and get on with matters in hand.

A[DOLF] A. B[ERLE], JR.

Later:—I telephoned the substance of this to Assistant Secretary of War for Air, Mr. Lovett. He suggested that we try to get hold of General Fitzgerald who is in this country, through the Chief of Air Staff. He also felt that this seemingly stiff line from the British Government was probably due to parliamentary reaction which followed Juan Trippe's⁴⁸ statement,⁴⁹ and the insistence of BOAC that a strong stand be taken.

A. A. B., JR.

⁴⁷ Sir Ronald I. Campbell, British Minister.

⁴⁸ President, Pan American Airways.

⁴⁹ Perhaps a reference to Mr. Trippe's speech at the New York *Herald Tribune* forum on November 16, 1942.

882.796/30

*Memorandum of Telephone Conversation, by the Assistant Chief of
the Division of Near Eastern Affairs (Villard)*

[WASHINGTON,] January 23, 1943.

At Mr. Berle's request I telephoned Air Commodore Thornton⁵⁰ and asked him to supply us with details concerning the BOAC planes which the British Government desired to have stop in Liberia for refueling purposes. I said that we had had this matter under discussion for some time and that at a conference about two months ago the British air authorities in Washington had been requested to supply precise details as to the need for these BOAC planes to land in Liberia. So far we had not received this information and I suggested to Air Commodore Thornton that he might be able to obtain exact figures concerning the pay loads and capacities of the planes in question.

Air Commodore Thornton suggested that he might better discuss this question with the War Department. I replied that we were working on the problem here in the light of representations made by the British Minister, and that it would be helpful if the figures could be given to us direct.

Air Commodore Thornton then stated that the planes on this run were known as the ensign type, and were used on the trans-African run linking up British West Africa with Khartoum. He did not appear very sure of the terminal at either end, mentioning both Mombasa and Massaua for the eastern terminal. He said that the planes were obsolescent and stripped down to carry freight, with six hours endurance in the air, or about 850 miles. The planes were defined as "commercial planes", that is, "civilian", as distinct from "military", but they did not operate for hire. They carried freight but, of course, could also be used to transport passengers.

According to Air Commodore Thornton, the planes were not worth operating between Freetown and Takoradi unless they could land for refueling at Roberts Field in Liberia, as otherwise the useful load would be too small. I again asked for the exact figures regarding the pay load and gasoline consumption. Air Commodore Thornton then said that he would look up the details and would call on Monday, the twenty-fifth, in order to make an appointment for the purpose of discussing the matter.

⁵⁰ Air Commodore H. N. Thornton of the British Embassy.

882.796/31 : Telegram

The Chargé in Liberia (Hibbard) to the Secretary of State

MONROVIA, January 29, 1943—2 p. m.

[Received 5:24 p. m.]

13. My telegram No. 361, October 24, 9 p. m., and the Department's reply No. 280, October 28, 8 p. m.,⁵¹ regarding the use of Roberts Field by British Overseas Airways Company.

I have just been informed by the commanding officer that he has received instructions from General Arnold⁵² to grant landing and servicing privileges at Roberts Field to BOAC. I know from telegrams which my British colleague has shown me that this has been the subject of extensive discussion in the Department between British officials and Mr. Berle. In spite of claims to the contrary by the British this service would appear to be a commercial one and I would appreciate information as to whether General Arnold's instructions have the approval of the Department.

HIBBARD

882.796/32

Memorandum of Conversation, by the Assistant Secretary of State (Berle)

[WASHINGTON,] February 1, 1943.

Participants: General Upston,⁵³ Colonel McBride;⁵⁴
Mr. A. A. Berle, Jr.

General Upston and Colonel McBride came in to see me this morning.

They showed me a copy of a memorandum which General Marshall had sent to the President. It seems that the problem of Liberian landing fields had been brought up in the course of the conference between the President and Prime Minister Churchill at Casablanca.⁵⁵ As a result of that, General Marshall (who is arguing for the maintenance of General Eisenhower's command and structure in North

⁵¹ *Foreign Relations*, 1942, vol. iv, pp. 414 and 415, respectively.

⁵² Lt. Gen. Henry H. Arnold, Commanding General, United States Army Air Force.

⁵³ Brig. Gen. John E. Upston, Chief of African and Middle Eastern Theater unit, Operations Division, General Staff, War Department.

⁵⁴ Lt. Col. Harry A. McBride, Operations Division, General Staff, War Department.

⁵⁵ Correspondence regarding the Casablanca Conference of January 1943 is scheduled for publication in a subsequent volume of *Foreign Relations*.

Africa) had issued an order permitting the B.O.A.C. to land at Roberts Field in Liberia.

Arrived home, he had learnt of the negotiations which the British had initiated with the Department, and had reported the question to the President, for instructions. He feels that we may wish to talk to the President about it.

A[DOLF] A. B[ERLE], JR.

882.796/17

*Memorandum of Conversation, by the Assistant Secretary of State
(Berle)*

[WASHINGTON,] February 4, 1943.

Sir Ronald Campbell came in, at my request.

I referred to the question of the British request for landing rights at Roberts Field, Liberia. I said that I understood this had been taken up at Casablanca and that orders had been given by General Arnold to permit BOAC planes to land for refueling and servicing. I said that prior to the Casablanca conference we had obtained substantial assent from the Army to that end and had prepared a memorandum on the subject. However, since the matter had been taken up directly at the Casablanca conference, I would not hand him the memorandum until I knew what had been decided at Casablanca.

I said I hoped Sir Ronald would realize that the Army technical people were not at all convinced of the technical necessity for this; and that their continued resistance had been due to that fact. As far as they can see, all British interests are fully covered by the landing field at Freetown, only a short distance away. Air Commodore Thornton had not come down to present any technical data on the matter.

But, I said, both the State Department and the War Department were very clear that landing rights at Roberts Field were not important enough to complicate general relationships in that area. In view of the singularly slashing intimations in Sir Ronald's instructions, it seemed plain that this thoroughly unimportant controversy was spreading, which it ought not to be allowed to do. It was purely in the spirit of minimizing this kind of thing that, despite lack of technical conviction, we had arranged the matter here, and I gathered the same view had prevailed at Casablanca. I agreed that I would give him a memorandum covering the situation as soon as we had the full details of the Casablanca order.

A[DOLF] A. B[ERLE], JR.

882.796/33

*Summary of Memorandum by the Assistant Secretary of State
(Berle) to President Roosevelt*⁵⁶

WASHINGTON, February 4, 1943.

BRITISH LANDING RIGHTS AT ROBERTS FIELD

1. The British wanted landing rights at Roberts Field, beginning the summer of 1942. Various reasons were given, none of them very convincing.
2. The Army objected, and there was a row which grew in intensity.
3. The British sought State Department intervention November 2, 1942; Army still recalcitrant; British case still unconvincing.
4. British (substantially) threatened reprisals, January 23, 1943. State decided this was no time for a row; prevailed on Army to grant landing and refueling rights but not commercial stop rights. Army acquiesced, but unconvinced.
5. January 29, 1943, Monrovia reported Arnold ordered grant of landing and servicing privileges to BOAC, after discussion at Casablanca. This was substantially the arrangement Army had been induced to accept.
6. *Recommended* that, the row having been generally settled on January 25 in Washington, the agreement be formalized. Arrangement here appears to be, on the whole, the arrangement ordered by General Arnold.

ADOLF A. BERLE, JR.

882.796/34: Telegram

The Chargé in Liberia (Hibbard) to the Secretary of State

MONROVIA, February 6, 1943—4 p. m.

[Received 4:20 p. m.]

20. My telegram No. 13, January 29, 2 p. m. The commanding officer at Roberts Field has received instructions from headquarters at Accra to build at once at Fisherman's Lake 16 prefabricated barracks to house approximately 100 men of the Royal Air Force. The British wish to base three planes, presumably Catalinas, there now, this number to be increased later. For my information a clarification of our present policy with regard to these British installations would be very useful. As pointed out before the Liberians look with great disfavor on the establishment of these British units here and it is difficult to explain why since we have undertaken the defense of this country in accordance with our agreement it is necessary to have them.

HIBBARD

⁵⁶ Marginal notation: "C[ordell] H[ull] OK FDR".

882.796/34 : Telegram

The Secretary of State to the Chargé in Liberia (Hibbard)

WASHINGTON, February 9, 1943—11 p. m.

20. Your 20, February 6, 4 p. m. There has been no change in policy with regard to Fisherman's Lake airfield. War Department has reached a strictly military agreement with the British for the installations mentioned in your telegram for the purpose of facilitating anti-submarine air patrol by Catalinas of a vital area in the Atlantic, which at present they are better able to patrol than we. You may explain to the Liberian Government that this arrangement is made as part of the general defense and for their protection.

There is a change in policy with regard to Roberts Field. It is desired that BOAC planes shall have permission to land at Roberts Field for servicing and refueling by American personnel. It is not contemplated that the British shall be given the right to station personnel or set up installations.

You are requested to approach the Liberian Government at once and to request their assent to the use of Roberts Field for this purpose, and to secure their agreement that this will not be considered a breach of the underlying agreement granting use of the field to the United States, or of the Panair concession. You may point out that the proposed permission to be given to BOAC is strictly temporary, and that it arises from the fact that BOAC is principally engaged in essential war work of interest in the common war effort. The permission, if granted, is therefore not to be considered as giving to BOAC any privilege which might ripen into a permanent right.

For your confidential information, this matter was taken up at the Casablanca conference. Department is concerned lest a relatively minor dispute create friction which may endanger air relations in a number of other areas and have consequences disproportionate to the importance of the subject. It has been made clear to the British Government that Department is not convinced of the technical necessity of it, but prefers to yield the point rather than unduly complicate relations elsewhere in Africa.

HULL

882.796/35 : Telegram

The Chargé in Liberia (Hibbard) to the Secretary of State

MONROVIA, February 15, 1943—4 p. m.

[Received February 16—6:03 a. m.]

23. Department's telegram number 20, February 9, 11 p. m. I saw President Barclay this morning and left with him a note requesting

permission for British use of Roberts Field and Fisherman Lake under conditions outlined by the Department. He has agreed and will let me have his formal assent in a few days.

HIBBARD

882.796/18a

*The Department of State to the British Embassy*⁵⁷

AIDE-MÉMOIRE

The Department has been aware for some months of the desire of the British Government to have the British Overseas Airways Corporation utilize airports in Liberia under the control of the United States Government, and it has discussed this subject on several occasions with the War Department. It is understood that the matter has also been under discussion at frequent intervals between officials of the War Department and representatives of the British Air Ministry in Washington. On January 20, 1943, the problem was again raised by Sir Ronald Campbell, who stated to Mr. Berle that the question had reached an acute stage because inability of the BOAC planes to stop in Liberia had forced suspension of operations between Takoradi and Freetown.

The position of this Government, as explained in previous discussions, has been that the operation in Liberia of other than military aircraft was not contemplated under the terms of the defense agreement between the United States and Liberia and therefore could not be supported because of the clear understanding on this point entertained by the Liberian Government. Moreover, until the engagements of the United States Government in respect to the defense agreement were fully carried out, which is not at present the case, it was felt that any approach to the Liberian Government to obtain permission for the landing of British civil airplanes on transport duty would be premature. Instead, the commanding general of the United States forces in Central Africa turned over a transport plane to the Royal Air Force to permit operation by the latter of a weekly air service between Bathurst and Lagos, with a stop at Roberts Field in Liberia, which service was to be used entirely for British personnel and cargo.

There is no objection to the use of the Liberian airports by transport or cargo planes of the Royal Air Force when necessary. The difficulty lies in granting landing rights for civilian airplanes on transport duty, as distinct from military craft, under the provisions

⁵⁷This is a revision of an *aide-mémoire* (not printed), sent to the British Embassy on February 17 but returned on February 19 with various marginal notations.

of the defense agreement with Liberia. Pan-American Airways, an American corporation, holds the exclusive landing rights on Roberts Field and Fisherman Lake for non-military aircraft.

On the other hand, the British Government's view has been that the use of the Liberian airports is essential for refueling purposes in the operation of the BOAC services on the West Coast of Africa, particularly to enable the planes to make shorter flights and thus increase their useful loads. It is understood that these services are considered by the British Government to be vital to the war effort and that the increased cargoes which could be carried would materially assist in the prosecution of the war.

On November 18, 1942, a conference was held at Group Captain Merer's office in Washington, attended by representatives of this Department, the War Department, and the Royal Air Force, at which it was agreed that information would be furnished concerning the frequency of the service and the payloads involved, and showing the extent to which the use of Liberian fields would increase the payloads. At that meeting it was also agreed that on receipt of this information the possibility of taking up the subject with the Liberian Government would be considered further, on condition that no request would be made for British installations in Liberia, that the refueling would be performed by the American military authorities, and that the facilities would be terminated at the end of the war. Up to February 9, 1943, no details along the above lines had been supplied by the British Government.

Nevertheless, in recognition of the British desire and in the hope of contributing in every way possible to an early ending of the war, the United States Government is willing to discuss this question with the Government of Liberia with a view to making temporary arrangements for BOAC planes to stop at Roberts Field for purposes of refueling by the American authorities. Such arrangements would be made on the basis of the wartime emergency and would under no circumstances be valid beyond the duration of the war.

It may be stated that this Government regards seriously its relations with the independent Republic of Liberia. The United States Government is particularly desirous of carrying out in good faith its understanding with Liberia on defense matters because of the cooperation displayed by that country in making its territory available for military purposes and in otherwise assisting the cause of the United Nations. The responsibility resting on this Government of asking the Liberian authorities to extend the interpretation of the defense agreement so as to include British civil airplanes on transport duty is considerable, because of the necessity of justifying at the conclusion of the war any of the arrangements made by or with the consent of the

American military authorities while Liberian territory was under United States jurisdiction. This Government must be prepared to answer to the Liberian Government for all such commitments as that represented by the request of the British Government for the use of the landing fields in Liberia. Moreover, as previously mentioned, until its own engagements are fulfilled with respect to the defense of Liberia, the Government of the United States is reluctant to present to the Government of Liberia the question of landing rights for the civil airplanes on transport duty of a third country.

Finally, it may be said that the difficulty in this matter is increased by the fact that the Liberian Government is inherently suspicious of British motives, due to various acts in the past which the Liberians have interpreted as encroachments on Liberian territory from the neighboring British colony of Sierra Leone.

WASHINGTON, March 2, 1943.

882.796/37

The First Secretary of the British Embassy (Hayter) to the Chief of the Division of Near Eastern Affairs (Alling)

441/15/43

WASHINGTON, March 23, 1943.

DEAR MR. ALLING: There is one point in connexion with the *aide-mémoire* about the utilisation of airports in Liberia which Mr. Villard gave me on March 2nd⁵⁸ which is not quite clear.

You may remember that when I first discussed this question with you on July 1st last I mentioned that we were anxious to obtain permission not only for B.O.A.C. land planes to use Roberts Field but also for flying boats operated by the corporation to use the base at Fisherman's Lake. A reference to this is contained in the memorandum which Sir Ronald Campbell left with Mr. Berle on December 14th.⁵⁹ The Air Ministry inform us that the ability to refuel at Fisherman's Lake would improve the pay load of both Sunderland and Boeing type flying boats by over 2,000 pounds in each case and would enable them to cope more easily with the collection and delivery of loads from and to Freetown, where the best shipping connexion with the United Kingdom exists. It is possible that this question is already covered by the permission which you were so kind as to obtain for us from the Liberian Government. I should be glad to know whether you consider that this is the case.

Naturally the use of Fisherman's Lake by these flying-boats would be subject to the same conditions as apply to the use of Roberts Field by land planes.

Yours very sincerely,

W. G. HAYTER

⁵⁸ *Supra.*

⁵⁹ Not found in Department files.

882.796/41

*Memorandum of Conversation, by the Assistant Secretary of State
(Berle)*

[WASHINGTON,] April 20, 1943.

Sir Ronald Campbell came in, at my request.

I referred to the application we now had from the British Government to make the sea plane base in Liberia available to the BOAC flying boats.

I said that we had made landing rights at Roberts Field available to the land planes of the BOAC, on the understanding that they would be used for military purposes only. Nevertheless, it developed that the actual use to which they were put did not conform to our understanding of military use. Many of the passengers were Syrian traders, to whom our own military planes had refused priority, on the ground that they were civilian. I said I did not wish to make this a matter of formal communication, but for Sir Ronald's convenience would give him a copy of the memorandum covering the facts. I then gave him, in this personal fashion, a copy of the memorandum⁶⁰ which had been drawn by Mr. Alling, after consultation with Colonel McBride.

I said that I hoped Sir Ronald would tell me whether he considered that flying privilege important. I was frankly unable to see why it was important, in view of the fact that the British had perfectly good landing fields within 175 miles of Monrovia.

A. A. B[ERLE], JR.

882.796/37

The Department of State to the British Embassy

MEMORANDUM

Reference is made to Mr. Hayter's letter of March 23, 1943 regarding the desire of the British Government to obtain permission for the use of the base at Fisherman Lake in Liberia by BOAC flying boats, in addition to the use of Roberts Field by BOAC land planes.

The only understanding so far reached with regard to the use of Fisherman Lake is an arrangement between the War Department and the appropriate British representatives in connection with the basing of four Catalina flying boats of the RAF for anti-submarine patrol missions. The British request for such use was granted on the basis of urgent operational necessity as stated by the RAF. The agreement was made with the specific understanding (confirmed in writing by

⁶⁰ *Infra.*

a letter of January 26, 1943 ⁶¹ to General Handy from Air Commodore S. C. Strafford, British Joint Staff Mission) that the British corporation would make no commercial use of the facilities at Fisherman Lake and would vacate the station upon request.

Before considering the question of the use of Fisherman Lake by BOAC flying boats, it would appear desirable to examine more closely the nature of the services engaged in by the BOAC land planes which move through Roberts Field in Liberia. According to a report from the Staff of Brigadier General Shepler W. Fitzgerald, Commanding General, African-Middle East Wing, it does not appear that the BOAC land planes are primarily carrying military cargo or personnel but that they are largely interested in commercial passengers and freight. For example, on March 26, 1943 a BOAC plane landed at Roberts Field with twenty-three civilians and no military passengers. At Kano in Nigeria there are said to be 150 tons of spare parts for British aircraft awaiting transport, which are never picked up by BOAC planes. The passengers carried are reported to include Syrian traders, who would not be transported on United States planes because their passage was considered unnecessary to the war effort. The BOAC planes passing through Maiduguri, Nigeria are reported by the office of the United States Air Transport Command to be carrying principally civilian passengers and freight. At this station on several occasions members of the RAF have applied to the Air Transport Command for transportation to the next stop on the BOAC line, this taking place on the same day that the BOAC was running a plane carrying an almost total load of civilian passengers.

Reverting to the question of BOAC flying boats, officials of the War Department appear to take exception to the statement made in Mr. Hayter's letter concerning the increase in payload which could be effected by a stop at Fisherman Lake. Taking the distance from Freetown to Fisherman Lake as 175 miles, and taking the fuel consumption figure for four-engine aircraft of the Sunderland or Boeing type at normal speeds as one gallon per mile, the figure of 175 gallons or about 1,050 pounds is obtained. This would represent about one-half the increase in payload mentioned by Mr. Hayter.

Moreover, on the basis of a recent report of the War Department, it appears that BOAC flying boats do not land at either Takoradi or Accra, but travel direct between Freetown and Lagos. It is pointed out that if such flying boats could increase their payloads by landing and refueling in Liberia, by the same token their payloads could be increased by landing en route at Takoradi or Accra.

WASHINGTON, April 20, 1943.

⁶¹ Not found in Department files.

882.796/43

The British Embassy to the Department of State

AIDE-MÉMOIRE

His Majesty's Government in the United Kingdom have received the *aide-mémoire* of the Department of State dated February 17th,⁶² and have noted with appreciation the action of the United States Government in arranging facilities for British Overseas Airways Corporation aircraft on transport duty to refuel in Liberia.

At the same time His Majesty's Government observe that in the final paragraph of the Department's *aide-mémoire*, reference is made to the inherent suspicion of British motives entertained by the Liberian Government owing to "various acts in the past which the Liberians have interpreted as encroachments on Liberian territory from the neighboring British Colony of Sierra Leone".

His Majesty's Government think it desirable to point out that in respect of the period covering the last thirty-seven years the facts are as follows:—The undemarcated boundary between Sierra Leone and Liberia was the cause of much friction during the years following 1906 but the matter was settled in 1914. In 1929 the Sierra Leone Government reported that a certain piece of territory which had been regarded as part of the Sierra Leone Protectorate was actually Liberian territory. Proposals for the adjustment of the matter involving the return of the territory in question to Liberia were readily accepted by the Liberian Government who expressed gratification at the "just and even generous attitude of His Majesty's Government". Since that date relations between Sierra Leone and Liberia have been normal.

WASHINGTON, April 20, 1943.

882.796/46

The First Secretary of the British Embassy (Wright) to the Assistant Secretary of State (Berle)

441/30/43

WASHINGTON, July 7, 1943.

DEAR MR. BERLE: You may recall that towards the end of April you discussed with Sir Ronald Campbell a request previously put forward by this Embassy on behalf of His Majesty's Government for landing rights for flying boats on the British Overseas Airways Corporation at Fisherman's Lake in Liberia, and that you referred in this connection to the views of the United States military authorities on certain aspects of the services performed by British Overseas Air-

⁶² See footnote 57, p. 710.

ways Corporation in West Africa, and on the advantages, in terms of increased pay load, which could be expected if the facilities in question were granted.

I now write to inform you that, in view of the possibility of using Abidjan for the purpose in view, His Majesty's Government do not wish for the present to press their request for facilities at Fisherman's Lake.

At the same time, in view of the fact that some of the statements which you conveyed to Sir Ronald Campbell during the interview seem to be based on a misunderstanding of the status of British Overseas Airways Corporation, and on the nature and purpose of its operations in Africa, I take this opportunity of transmitting herewith two memoranda, the first⁶³ of which is a statement by the Permanent Under Secretary of State for Air on the relations, financial and other, of British Overseas Airways Corporation with His Majesty's Government in the United Kingdom, and the second⁶⁴ deals in detail with the specific points raised in regard to the Corporation's activities in Africa.

Yours sincerely

MICHAEL WRIGHT

[Enclosure]

The following is a list of statements by United States military authorities regarding the operations of British Overseas Airways Corporation in Africa as reported by Mr. Berle of the State Department in conversation with Sir Ronald Campbell, together with the observations of His Majesty's Government thereon.

First Statement—"It does not appear that the B.O.A.C. land planes are primarily carrying military cargo or personnel but that they are largely interested in commercial passengers and freight."

With rare exceptions (see observations on statement No. 3), traffic in the United Kingdom-West Africa and trans-African services of B.O.A.C. is allocated by the Air Transport Priorities Boards in London or in Cairo, who give space only to *official* passengers traveling on business connected with the war effort, and to official freight. Such official passengers or freight are not, of course, necessarily *military*, and a civilian passenger may well be much more important than a given military passenger from the point of view of the war effort.

Second Statement—"At Kano in Nigeria there are said to be 150 tons of spare parts for British aircraft awaiting transport, which are never picked up by B.O.A.C. planes."

⁶³ Not printed; it explained that the B.O.A.C. was in no sense a commercial undertaking but was operated as a service of the British Government.

⁶⁴ The enclosure printed below.

His Majesty's Government are, of course, aware of the large accumulation of dead load awaiting onward conveyance at Kano. Recently the accumulation has been considerably reduced by the intensification of Ensign operations between Khartoum and Kano and by R.A.F. Dakota shuttles. But the presence of an accumulation of cargo at Kano should not prevent B.O.A.C. from endeavouring to clear heavy loads on the through route from Lagos to the Middle East.

Third Statement—"The passengers carried are reported to include Syrian traders."

As stated in the observations on Statement No. 1, exceptions are occasionally made to the rule that only official passengers are carried on B.O.A.C. aircraft. It is sometimes possible to take on a non-priority passenger either on a lightly loaded intermediate section of the route or in the event of a priority passage being suddenly thrown up at very short notice. The Syrian traders referred to in this statement are cases in point; such traders have been carried from Khartoum to Lagos and on to Accra, as the B.O.A.C. services are lightly loaded in the westbound direction and there is occasionally capacity to spare on this stage, after official demands have been met.

Fourth Statement—"At [Maiduguri] ⁶⁵ on several occasions members of the R.A.F. have applied to the Air Transport Command for transportation to the next stop on the B.O.A.C. line, this taking place on the same day that the B.O.A.C. was running a plane carrying an almost total load of civilian passengers".

The fact that there has been no capacity available for military personnel whose journeys originate at Maiduguri is not surprising. There is no excess capacity out of Maiduguri and therefore sectional traffic originating there can only be carried at the expense of through load. As regards transportation of civilian passengers, see the observations on Statement No. 1.

Fifth Statement—Doubt is thrown on the statement made in a letter from Mr. Hayter to Mr. Alling of the State Department dated March 23rd to the effect that "the ability to use Fisherman's Lake would improve the pay load of both Sunderland and Boeing type flying boat by over 2000 lbs. in each case . . ." and it is suggested that the saving would in fact amount to only a little more than 1000 lbs.

An analysis of the loading table for Boeing type flying boats on the West African route shows that the pay load for the Bathurst-Lagos section would be increased by no less than 2,722 lbs. if the flight were interrupted at Fisherman's Lake for refuelling. See attached table.⁶⁶

⁶⁵ Brackets appear in the original.

⁶⁶ Not printed.

882.796/47

The British Chargé (Campbell) to the Secretary of State

441/33/43

No. 538

His Majesty's Chargé d'Affaires presents his compliments to the Secretary of State and with reference to this Embassy's *aide-mémoire* of April 20th last and to previous correspondence regarding the desire of His Majesty's Government in the United Kingdom to obtain re-fueling facilities in Liberia for aircraft of the British Overseas Airways Corporation has the honour to inform him that in view of the fact that facilities for flying boats operating on the West Coast of Africa are now available at Abidjan on the French Ivory Coast, and that the additional capacity now available to flying boats has enabled His Majesty's Government to cancel the Ensign extension service between Lagos and Freetown, it is no longer necessary for the British Overseas Airways Corporation to use Roberts Field for their Ensign land aircraft.

His Majesty's Government hope, however, that so far as the United States Government are concerned, the permission granted to British Overseas Airways Corporation to use Roberts Field as a re-fueling halt will remain in force if and when it should again be necessary for them to operate land aircraft over this route.

WASHINGTON, August 20, 1943.

882.796/47

The Secretary of State to the British Chargé (Campbell)

The Secretary of State presents his compliments to the British Chargé d'Affaires ad interim and refers to the Embassy's note no. 538 of August 20, 1943, stating that it is no longer necessary for Ensign land aircraft of the British Overseas Airways Corporation to use Roberts Field in Liberia as a refueling halt.

It is noted that the Embassy has expressed the hope that permission to use the refueling facilities at Roberts Field will remain in force if and when it should again be necessary for the British Overseas Airways Corporation to operate over the Liberian route. From a strictly military point of view, there appears to be no objection to this proposal. The agreement between the United States and Liberia, however, granting permission to the British Overseas Airways Corporation to use Roberts Field was made with the express understanding that the permission was strictly temporary and that it would in

no way be considered a permanent right, and it appears appropriate therefore that the permission should be regarded as having been terminated. In the event that changed conditions should again make such use necessary in the prosecution of the war effort, this Government will receive sympathetically the advices of His Majesty's Government to that effect, and will consider the possibility of obtaining a renewal of the permission on the same terms and conditions as previously.

WASHINGTON, October 14, 1963.

MOROCCO

PROTEST AGAINST THE DETENTION OF AMERICAN DIPLOMATIC COURIERS BY SPANISH CUSTOMS OFFICIALS IN THE SPANISH ZONE OF MOROCCO

121.67/3579 : Telegram

The Chargé at Tangier (Elbrick) to the Secretary of State

TANGIER, May 21, 1943—noon.

[Received 12:55 p. m.]

722. Couriers Owen and Chatfield were detained for 9 hours yesterday by the Spanish customs authorities at Arbaoua en route to Rabat from Tangier. They were unable to communicate with Tangier but informed Rabat by telephone and the Consulate there then notified the Legation by telegram which arrived shortly after 8 o'clock last night. It appears that the customs officials demanded to examine their luggage and that both couriers refused to allow their brief cases to be opened for which reason they were detained. Rabat also reported their persons and their other luggage had been searched. I immediately communicated with Castillo¹ protesting this offensive behavior and demanding that the couriers be released at once to proceed to Rabat and approximately one hour later Castillo informed me that they would be permitted to proceed on their way. He added however that they seemed to be carrying seven diplomatic pouches instead of the five noted in their courier letter and that this was the reason for their detention. I told Castillo that our records did not show this and that in any event it was beside the point since the least the Spanish officials could have done was to permit the couriers to return to Tangier which Mayer² at Rabat had informed me they were not allowed to do. I told Castillo that I would communicate with him further on the subject today when I was in possession of the facts and that if his understanding proved correct I would comply with the formality of issuing a corrected courier letter for the customs record.

I have just talked with Mayer at Rabat by telephone and he informs me that the couriers were detained at Arbaoua from 2:30 p. m. until 11:40 p. m., that the Spanish officials insisted on a customs examina-

¹ Cristobal del Castillo, Spanish Consul General at Tangier.

² Ernest de W. Mayer, Consul at Rabat.

tion; that the couriers refused to allow their two personal brief cases to be examined; that the customs authorities declared that only the authorities at Tetuan could authorize their release; that their luggage was searched and they were forced to undress partially to permit the search of their persons. Later their automobile was inspected minutely, all bags and seats being removed and the couriers were forced to replace them. Their money was taken from them and their attempts to effect its return were fruitless.

I am presenting a formal written protest to Castillo today but in view of the gravity of this affair and since former protests to the Spanish authorities concerning similar but lesser offenses have apparently had no effect, I strongly urge that the Embassy at Madrid be authorized to take this matter up immediately with the Spanish Foreign Office.

I have already informed Castillo that this outrageous incident will have a most unfortunate effect in Washington. I shall report further after I have seen him today.

Repeated to Algiers, Casablanca for General Clark³ and Madrid.

ELBRICK

121.67/3586 : Telegram

The Chargé at Tangier (Elbrick) to the Secretary of State

TANGIER, May 22, 1943—9 p. m.
[Received May 22—7:10 p. m.]

732. Legation's telegram No. 722, May 21, noon. I was unable to see Castillo yesterday but sent the formal protest mentioned in the telegram under reference and arranged to see him this afternoon. He thought the responsibility for the incident at the frontier fell upon the two couriers who would not permit their brief cases which were not part of the diplomatic mail to be searched. I said that as he was well aware the American Legation does not admit the right of the authorities to subject American diplomatic and consular officers to customs examinations in Spanish Morocco and that in any case this would not explain the discourteous treatment accorded the couriers by the customs officers. He agreed that it was an unfortunate affair and that the least the customs officials could have done was to telephone him or the authorities at Tetuan in order to clarify the situa-

³ Lt. Gen. Mark W. Clark, Commanding General of the Fifth Army.

tion. He said further that inasmuch as I had referred the case to the Department he felt he would have to send a copy of my note to the F.O. in Madrid. I said that I hoped this procedure would clarify matters once and for all since it was just as annoying to this Legation to have to make periodic and unavailing protests to him regarding such incidents as it was for him to receive them.

He told me that in the near future diplomatic indentity cards will be issued to the officers of the various countries represented in Tangier and that definite instructions would be given to custom authorities to permit all baggage of such individuals to pass without examination. A full report will go forward by the next airmail pouch.

Sent to the Department; repeated to Madrid, Algiers, Casablanca for General Clark.

ELBRICK

121.67/3585: Telegram

The Consul General at Algiers (Wiley) to the Secretary of State

ALGIERS, May 23, 1943—2 p. m.

[Received 10:35 p. m.]

948. From Murphy.⁴ Tangier's 722, May 21, noon. The Consulate in Rabat has submitted a similar report regarding detention of Owen and Chatfield.

In view of this arbitrary action on the part of the Spanish customs officials I recommend that a strong protest be lodged with the Spanish Government at Madrid and that retaliatory measures be taken against Spanish official couriers leaving the United States unless prompt satisfaction is obtained. I believe the matter should be discussed between the Spanish and American Governments and do not propose to recommend retaliatory measures here unless the Department so instructs me. The headquarters of the Fifth Army is being informed of this message but is prepared to take whatever course of action is judged most suitable.

To Department, repeated to Tangier, Madrid and Rabat for General Clark. [Murphy.]

WILEY

⁴ Robert D. Murphy, Special Representative of the President in French North Africa.

121.67/3589 : Telegram

The Chargé at Tangier (Childs) to the Secretary of State

TANGIER, May 24, 1943—6 p. m.

[Received 10:10 p. m.]

739. Algiers 948, May 23. I was in Madrid when Tangier's 722, May 21 was received and discussed situation with Embassy. It was agreed that it would be preferable to endeavor to clear up the incident locally in Tangier and only in the event satisfaction could not be obtained here should resort be had to representations in Madrid.

I saw Castillo this morning and he was very apologetic. He at first endeavored to place the initial blame on the discrepancy between the courier letter and the number of pieces of baggage carried by the couriers. I said he seemed to overlook the principle of international comity involved and that no justification could be adduced for the disgraceful manner in which two members of the staff of the Legation formally notified to him as members of our staff had been treated. I added I did not wish to enter into a discussion of the violation of our treaty rights which was also involved as our complaint was sufficiently well grounded on the basis of international comity.

Castillo assured me that he was drafting instructions to all frontier officials enjoining them [*them*] from any interference in the future with official couriers. I said that this was the ninth instance of such interference each one more aggravated than the last and I wished to be assured that there would be no repetition. (The British and French have also experienced difficulties but nothing comparable to this last incident). He assured me that there would be none. I remarked also that he was doubtless aware of the extremely bad press his Government already had in the United States and that if such an incident found its way into the American press it would be difficult to judge the consequences. Both he and I were well aware that the Axis was doing everything possible to disturb the relations between our two countries and to create incidents which would disturb those relations. I said that he and the Spanish authorities had fully as much interest as we in preventing Spanish officials from playing this German game. Castillo expressed himself as in full accord (as, however, he usually does).

I consider the situation has been admirably handled by Elbrick and unless the Department instructs otherwise I propose to take no further action in the light of Castillo's firm assurances. Should the least difficulty be experienced by any courier in the future I propose to seek an interview at once with Orgaz⁵ and then to refer the situation

⁵ Gen. Luis Orgaz, High Commissioner in the Spanish Zone of Morocco.

to Madrid in the event I am unable to obtain satisfaction from the High Commissioner.

In response to an inquiry from Rabat I have asked that the couriers be instructed to decline firmly but courteously to submit to any inspection of their persons or baggage but to declare if called upon any personal funds in their possession when crossing the frontier.

Sent to the Department; repeated to Madrid, Algiers, and Casablanca for General Clark and Rabat.

CHILDS

121.67/3592 : Telegram

The Chargé at Tangier (Childs) to the Secretary of State

TANGIER, May 27, 1943—7 p. m.

[Received 8:05 p. m.]

754. Our telegram 739, May 24, 6 p. m. Our couriers Valenza and Owen arrived yesterday from Casablanca without incident. They brought a report by Chatfield and Owen on last week's incident at Quedadra (Arbaoua) (see enclosure to Rabat's despatch 35 [55] of May 22⁶) which places the behavior of the Spanish customs officials in a more flagrant aspect than did the incomplete preliminary reports received here. These customs officials were studiedly insulting towards these couriers with no slightest provocation and treatment accorded them tend [*tended?*] to humiliate them before the French authorities and public at the frontier.

I am furnishing excerpts of the above mentioned report to Castillo with the following conclusion: "I feel confident that you and His Excellency, General Orgaz, after having been acquainted with the foregoing facts will recognize the appropriateness of a prompt investigation and the taking of such disciplinary action with reference to the offending Spanish officials as is indicated. If the present instance were an isolated one the Legation would be more disposed to consider the possibility of mitigating circumstances. However, the fact that the present incident follows repeated instances of complaints of the conduct of Spanish customs officials at Quedadra toward members of the Legation staff obliges me to reserve fully the right of my Government to judge the adequacy of such explanations and reparation as

⁶ Not printed.

may be offered for the studiedly offensive and grossly insulting conduct of the Spanish officials in the present instance as reported by more than one witness."

It is recommended that if after the lapse of a reasonable time say 10 days no reply has been received I be authorized to inquire of my Spanish colleague when a reply may be expected and to inform him that an early reply would be appreciated as my Government is considering the publication of the correspondence. Full text of note is going forward on May 29 by airmail.⁷

Repeated to Madrid, Algiers, Casablanca for General Clark and Rabat.

CHILDS

121.67/3595 : Telegram

The Chargé at Tangier (Childs) to the Secretary of State

TANGIER, May 28, 1943—11 p. m.

[Received May 29—8:37 a. m.]

767. My 754, May 27. Called on Castillo about other matters and he took the initiative in referring to my note.⁸ He said I would have a reply in a few days as soon as the authorities could obtain the version of the Spanish customs officials.

I said there were numerous witnesses of the account given by the American couriers substantiating the account I had sent him.

He said the Spanish customs officials are of a quite different social station from the Americans and that the behavior of the Spaniards was inexcusable and that I could be certain very severe sanctions would be taken against Pizarro, chief Spanish customs official.

Castillo had evidently been greatly impressed by the account given him in my note of the shockingly discourteous treatment shown our couriers and there was no effort on his part to extenuate the affair. He assured me that the most stringent instructions were being issued which would prevent any restitution [*repetition*] and that he would let me have copies of the instructions.

Repeated to Madrid, Algiers, Casablanca for General Clark and Rabat.

CHILDS

⁷ Despatch No. 1474, dated May 25, 1943, not printed.

⁸ Not printed; the substance is given in the Chargé's telegram No. 754, *supra*.

121.67/3579 : Telegram

The Secretary of State to the Chargé at Tangier (Childs)

WASHINGTON, June 1, 1943—9 p. m.

115. Your 722, May 21, noon, and 754, May 27, 7 p. m. Action taken with respect to interference with diplomatic couriers is approved, except that we do not want to suggest any publicity. Madrid is being asked to make appropriate representations.

For your strictly confidential background information you are advised that Department may encounter some difficulty because of unfortunate incident which occurred last October in New Orleans when Spanish diplomatic pouches were removed from the steamship *Magallanes* and opened by some of our authorities. The Department formally assured the Spanish Ambassador following that incident that the action had been unauthorized and the result of an error, and requested him to communicate to his Government this Government's sincere regret and its apologies.

HULL

121.67/3579 : Telegram

The Secretary of State to the Ambassador in Spain (Hayes)

WASHINGTON, June 2, 1943—10 a. m.

1251. Referring to Tangier's 722, May 21, noon, and 754, May 27, 7 p. m., concerning detention and treatment of our couriers at Arbaoua, you are requested to bring this to the attention of the Spanish Government at once, stressing the fact that our urgent official communications were delayed and two duly documented diplomatic officers were subjected to detention and other indignities.

If in this connection reference should be made to the incident that occurred last October in New Orleans when Spanish diplomatic pouches were removed from steamship *Magallanes*, you may observe that in a formal note dated October 19 [20], 1942⁹ the Department informed Ambassador Cárdenas that the removal and opening of the Spanish pouches had been unauthorized and the result of an error, and this Government expressed its sincere regret and asked the Ambassador to communicate to his Government this Government's apologies.

It is thought that the present incident may afford you an opportunity to mention again the whole series of unpleasant incidents of

⁹ Not printed.

which a few examples are cited in the Department's W-18 of May 15,¹⁰ and the continuing hostile tone of the Spanish press, and to mention that inasmuch as General Franco¹¹ is the head of the Falange Party as well as the Chief of the Spanish State an inevitable impression is created that the attitude of party members and of a number of Spanish officials may reflect a policy of the Spanish Government toward the Government of the United States and its interests in Spain. In view of the fact that previous representations have already been addressed to Foreign Minister Jordana, and especially of the fact that he evidently encounters strong opposition in some quarters in Madrid, the Department suggests that you may wish to avoid placing an additional strain upon his position in the Cabinet by taking these matters directly to General Franco.

You should endeavor to get firm and formal assurances that our couriers will not be molested or delayed in any way in future and that measures will be taken appropriately to deal with the party members and Spanish officials responsible for the series of incidents above referred to, and, if possible, that the competent Spanish authorities will be directed to tone down the Spanish press in a manner more in harmony with the assurances we have already had from the Spanish Government respecting Spain's neutrality.

HULL

121.67/3686

The Ambassador in Spain (Hayes) to the Secretary of State

No. 1026

MADRID, June 24, 1943.

[Received July 5.]

SIR: I have the honor to refer to my telegram No. 1495 of 2 p. m., June 5, 1943,¹² in response to the Department's telegram No. 1251, 10 a. m., June 2, regarding the detention on May 20 by Spanish customs officers at Arbaoua of two American couriers en route from Tangier to Rabat.

A copy of my Note of protest, No. 1014 dated June 4, to the Foreign Minister and a copy and translation of his reply dated June 16 are enclosed.

Respectfully yours,

CARLTON J. H. HAYES

¹⁰ Not printed.

¹¹ Gen. Francisco Franco, Chief of the Spanish State and Prime Minister.

¹² Not printed (121.67/3611); it reported that representations had been made in accordance with the Department's telegram No. 1251, June 2, *supra*.

[Enclosure 1]

The American Ambassador (Hayes) to the Spanish Minister for Foreign Affairs (Jordana)

No. 1014

MADRID, June 4, 1943.

EXCELLENCY: I have the honor to inform Your Excellency that on May 20, 1943, two United States diplomatic couriers, bearing diplomatic passports and properly documented, were detained by the Spanish customs authorities at Arbaoua, en route to Rabat from Tangier, from 2:30 p. m. until 11:40 p. m., during which time their clothing was partially removed from them and their persons searched, they were prevented from communicating with Tangier, and otherwise subjected to indignities in flagrant violation of the treatment which diplomatic couriers are entitled to receive from friendly governments. As a result of this offensive treatment, official urgent communications of the Government of the United States were delayed in transmission.

Under instructions from my Government, I protest against this unwarranted and unfriendly treatment of our diplomatic couriers, and request formal and firm assurances that, in the future, such couriers will be unmolested and will not be delayed in any way, and that measures will be taken to punish the officials or employees responsible for the incident referred to.

I avail myself [etc.]

CARLTON J. H. HAYES

[Enclosure 2—Translation]

*The Spanish Minister for Foreign Affairs (Jordana) to the American Ambassador (Hayes)*¹³

No. 373

MADRID, June 16, 1943.

MR. AMBASSADOR: I have the honor to reply to Your Excellency's Note No. 1014 of June 4, regarding the detention for several hours at the Arbaoua Customs of two American diplomatic couriers who, in company with their wives, were proceeding from Tangier to Rabat May 20.

The accounts received at this Ministry establish that the Spanish customs Authorities did in fact place difficulties in the way of the

¹³ Erroneously addressed to the previous Ambassador in Spain, Alexander W. Weddell.

aforsaid couriers. The reason for these difficulties was that the certificate prepared by the Legation of the United States at Tangier referred only to five pouches, which being official were at all times respected. However, the couriers also endeavored to cover as official material two large briefcases which were not closed and sealed by the Legation, nor included in the certificate covering the five pouches mentioned. When the Spanish customs officials attempted to explain this to the American couriers, they reacted warmly, beginning a forcible discussion which deprived the Spanish officials of the possibility of indulgence, for any exemption would then have appeared as being imposed by the strong attitude of the couriers. Unfortunately, the telephone connection between Arbaua and Tangier was interrupted, and the Customs were unable to talk with the Spanish Consulate General at Tangier. Instead, the Rabat Consulate General at once intervened with obvious good intention, taking the steps necessary to terminate the incident, as in fact took place.

For the reasons expressed, it is not a matter of having placed difficulties in the transmission of American official correspondence. The intention of the Spanish officials was to avoid abuse of immunity through packages which bore no guarantee whatever of their official status. The Embassy of the United States may rest assured that at all times there have been and will be respected official sacks duly sealed and included in the certification which is customarily delivered by the Representation of the United States at Tangier.

I seize this opportunity [etc.]

JORDANA

RELEASE OF UNITED STATES AIRMEN INTERNED IN THE SPANISH
ZONE OF MOROCCO¹⁴

740.00114A European War 1939/186 : Telegram

The Chargé at Tangier (Childs) to the Secretary of State

TANGIER, January 2, 1943—9 p. m.

[Received January 2—7:50 p. m.]

8. My 922, December 30.¹⁵ Major Bernadoni¹⁶ was informed today by the officer in Tetuán in charge of our internees that orders had

¹⁴ For previous correspondence relating to this subject, see *Foreign Relations*, 1942, vol. iv, pp. 512-522.

¹⁵ Not printed.

¹⁶ Maj. Bernard Bernadoni, Assistant Military Attaché at the Legation in Tangier.

been received for the sending of 17 of them to Madrid by a plane which had arrived for that purpose. It was added the 17 are to be turned over to our Embassy in Madrid for repatriation. The 17 include 9 officers at Melilla and the ranking officer at Xauen who will be the first to be sent to Madrid by the plane which can only carry 10 at a time. Departure will depend upon the weather.

Repeated to Madrid.

CHILDS

740.00115A European War (1939)/622: Telegram

The Chargé at Tangier (Childs) to the Secretary of State

TANGIER, January 29, 1943—9 a. m.

[Received 10:35 a. m.]

157. Following telegram sent to the Embassy, Madrid, January 23, repeated for your information:

January 23, 11 a. m. British Consul,¹⁷ Melilla, reports he visited our internees Tauima 21st and that officer in charge informed him our men are getting out of control due recent harsher treatment by Spanish. They [are] stated to be confined to barracks and there have been cases of soldiers being threatened. Officer in charge fears incidents may occur in consequence.

On January 10 High Commissariat informed me that due to lack of proper behavior on part our internees in Tauima and incidents which had occurred following visit to neighboring town of Nador where High Commissariat had permitted them to go for distraction in accordance with our request authorities have been obliged to suspend authorization in order to avoid incidents of greater importance.

It is presumed reference to recent harsher treatment by Spanish refers to this suspension.

Major Bernadoni, Assistant Military Attaché, is flying to Melilla the 26th to investigate and to endeavor to calm the restive spirits of the men. I discussed the situation with my Spanish colleague yesterday and asked if the men were not to be sent to Spain shortly they be brought near Tangier where we could keep a better eye on them.

It would be helpful if the Embassy might urge upon the authorities in Madrid the desirability of transferring these men to Spain as soon as possible. The internees are so far removed from us that it is ex-

¹⁷ S. R. Gore-Edwards.

tremely difficult to maintain adequate contact with or control over them and they are naturally restless from the absence of amenities which would probably be more available to them in Spain than in Morocco.

CHILDS

740.00114A European War 1939/232 : Telegram

The Chargé at Tangier (Childs) to the Secretary of State

TANGIER, January 29, 1943—10 a. m.

[Received January 29—8:32 a. m.]

158. Following telegram sent to the Embassy Madrid January 27, repeated for your information:

January 27, 10 p. m. Major Bernadoni has informed me from Melilla that he is concerned about our soldiers at Tauima. He states that local feeling has suddenly become very unfriendly and that their removal would obviate the occurrence of incidents which may have serious consequences.

I discussed this matter again with Castillo¹⁸ in the absence of the High Commissioner today and he promised to recommend at once to Jordana¹⁹ that the men be sent at once to Spain and that if this were not immediately possible they be sent near Tangier.

CHILDS

881.00/2400 : Telegram

The Chargé at Tangier (Childs) to the Secretary of State

TANGIER, January 30, 1943—9 p. m.

[Received January 31—8:10 a. m.]

173. Our 10, January 23 and 11, January 27 to Madrid (repeated to Department as Tangier's nos. 157, January 29, and 158, January 29) and 168, January 29.²⁰

Major Bernadoni who has just returned from Melilla reports Yague²¹ returned there late on the 28th. General Orgaz²² returned to Tetuán yesterday.

Yague was most friendly when receiving Bernadoni and gave no indication he was leaving. He telephoned Tetuán and requested permission to remove the restrictions placed on our internees and to send them to Tetuán preliminary to their despatch to Spain.

¹⁸ Cristobal del Castillo, Spanish Consul General at Tangier.

¹⁹ Gen. Francisco Gomez Jordana, Spanish Minister for Foreign Affairs.

²⁰ Telegram No. 168 not printed.

²¹ Commanding General at Melilla.

²² Lt. Gen. Luis Orgaz, Spanish High Commissioner in Morocco and Commander of the Spanish Forces in the Spanish Zone of Morocco.

This afternoon the High Commissariat telephoned that beginning February 2 the 54 officers and men at Tauima will be flown in groups of 12 or 13 to Madrid in the personal plane of Orgaz which he has made available for this purpose. Meanwhile our 6 internees still at Xauen and the 4 British internees there will be flown from Tetuán to Madrid as soon as a special plane coming from Spain arrives which is expected imminently. Our 4 internees receiving medical treatment there and the 6 British here will be flown to Spain after those mentioned above have been evacuated.

Sent to the Department; repeated to Madrid.

CHILDS

740.00114A European War 1939/242 : Telegram

The Ambassador in Spain (Hayes) to the Secretary of State

MADRID, February 4, 1943—midnight.

[Received February 5—9: 54 p. m.]

291. My 124, January 18, 6 p. m.²³ Air Ministry has agreed to release all remaining American aviation personnel in Spain and Spanish Morocco, latter to be released to Gibraltar without necessity of coming to Madrid.

Repeated to Tangier.

HAYES

740.00114A European War 1939/255 : Telegram

The Chargé at Tangier (Childs) to the Secretary of State

TANGIER, February 15, 1943—midnight.

[Received February 16—7 a. m.]

259. Madrid's 291, February 4, to Department. Last of the original 74 American internees left Spanish North Africa for Gibraltar February 13.

Sent to the Department; repeated to Madrid.

CHILDS

[The precedent established in this case was followed in several other incidents involving American airmen who landed in Spanish-controlled territory.]

²³ Not printed.

In telegram No. W-3, March 13, 1943, 9 p. m., the Ambassador in Spain reported that through the intermediary of the Spanish Foreign Office the Embassy had been able to secure the return intact and uncompromised of a secret bombsight from a bomber which had made a forced landing in the Spanish Zone of Morocco. The Ambassador requested that this cooperation of the Spanish Government be brought to the attention of President Roosevelt. (811.248/895)]

REPRESENTATIONS TO THE SPANISH GOVERNMENT AGAINST THE PROPOSED SENDING OF VICHY FRENCH CONSULAR REPRESENTATIVES TO TANGIER

851R.00/143 : Telegram

The Secretary of State to the Ambassador in Spain (Hayes)

WASHINGTON, January 7, 1943—4 p. m.

32. Legation at Tangier reports that there may be a move on the part of the Vichy authorities to send consular representatives to Tangier in Spanish Morocco. For obvious reasons this would be undesirable and you are requested to mention to the Spanish Foreign Office that it would be inopportune at this time to recognize a Vichy Consul in Spanish North Africa.

HULL

851.01/941 : Telegram

The Ambassador in Spain (Hayes) to the Secretary of State

MADRID, January 14, 1943—midnight.

[Received January 15—3 a. m.]

101. In conversation with the Foreign Minister²⁴ this morning, I pointed out that the Vichy regime was no longer entitled in international law to continued recognition by any Government, and the only portion of the French state meeting the test of recognition was that portion voluntarily cooperating with the United Nations in pursuing the war against Germany following the latter's violation of the Franco-German armistice. I said that, despite the foregoing, my Government was not now suggesting that Spain withdraw recognition of the Vichy regime but that my Government did consider that continued recognition of that regime, as perfunctory as it might be, should not deter Spain from having at least informal relations

²⁴ Gen. Francisco Gomez Jordana.

with that portion of the French state which is, in fact, entitled to recognition. I reminded the Minister that Colonel Malaise was acting as liaison between this Embassy and the High Commission in North Africa, and that Monsieur Pettit²⁵ was negotiating a possible economic exchange between Spain and North Africa (my January 6, midnight²⁶). I said I was informed that Pietri²⁷ had protested against the facilities being given by the Spanish authorities to these representatives of the North African regime, despite the fact that they are more entitled to receive facilities than is Pietri himself.

I requested assurance that at such time as the High Commission in North Africa or such other regime as might be constituted to administer that area, should appoint an agent, whether Colonel Malaise or some other person, the Spanish authorities, including officials of the Foreign Office, would treat [with] such an agent. I suggested that such agent should have the right to (1) issue passports, (2) circulate freely in Spain in the same manner as other foreign representatives, and (3) visit the concentration camp at Miranda de Ebro and the Spanish prisons in order to interview and assist persons if [of] French nationality professing loyalty to the regime he represents. Meanwhile I requested assurances that Malaise and Pettit would not be disturbed in their present duties.

The Minister said he was informed concerning Malaise's status and perfectly agreeable to it, and that Malaise would not be disturbed. He said that Pettit was negotiating with the Foreign Office with his approval, that Spain is interested in pursuing negotiations and wanted them to take place in Madrid and be coordinated with our own economic negotiations.²⁸ The question of receiving an agent who might have the right to issue passports, et cetera, presented a problem which he would have to study. He expressed appreciation that I had not insisted on Spain's withdrawing recognition of the Vichy regime, because such action would embarrass Spain's relations with the Axis.

I then told him I had been informed that Pietri had suggested the establishment of a Vichy Consulate at Ceuta (Department's No. 32, January 7, 4 a. m.), and said the fact that Vichy representation in Spain is at all tolerated furnished no reason, in international law or equity, for permitting the regime to extend its representation in Spanish territory. I pointed out further the possible disturbing effect on the Moors in North Africa, if both North African and Vichy regimes were represented by consuls pursuing opposing policies in North Africa. He said he quite appreciated the latter point and would take the matter under advisement.

²⁵ Representing North Africa in commercial and other matters.

²⁶ Not printed.

²⁷ Vichy Ambassador in Spain.

²⁸ For correspondence on negotiations regarding the reestablishment of trade between French North Africa and the Iberian Peninsula, see vol. 1, pp. 2 ff.

I left an *aide-mémoire* with the Foreign Minister. Our conversation was very friendly and he evidenced a sincere desire to arrive at a working basis for relations with the French North African regime.

Repeated to Tangier and Algiers.

HAYES

702.5181/20a : Telegram

The Acting Secretary of State to the Chargé at Tangier (Childs)

WASHINGTON, February 27, 1943—midnight.

52. The following telegram has been sent to Madrid:²⁹

"Reference Tangier's recent telegrams regarding Vichy consular representatives Genty and Piretti.

The British believe that steps should be taken to point out to the Spanish Government that the establishment of these Vichy officials in Tangier would be highly embarrassing, especially in view of the support given by General Giraud³⁰ to the present French Consul General La Vastre. Unless you perceive objection, therefore, it is suggested that you discuss this matter informally with the Spanish authorities as soon as possible, asking them to refrain from according recognition to any French consular officers in Tangier except La Vastre and those serving under him. The British propose to take parallel action, and you should inform your British colleague of the action you take.

It is needless to mention to you that the presence of these Vichy agents would afford an excellent opportunity to the Axis for obtaining reports as to our operations in the North African area, and it therefore appears desirable to us to prevent them from taking up residence in Tangier."

You are authorized to consult with your British colleague, who is understood to be receiving instructions from his Government, and if you agree that a useful purpose would be served you may approach the local Spanish authorities along the above lines.

BERLE

702.5181/20 : Telegram

The Ambassador in Spain (Hayes) to the Secretary of State

MADRID, March 2, 1943—noon.

[Received 6:30 p. m.]

480. I raised this matter with the Foreign Minister on February 22 along the lines of the *aide-mémoire* transmitted with my despatch number 573 of January 15.³¹ Jordana said that after all Spain does

²⁹ As telegram No. 456, same date.

³⁰ Gen. Henri Giraud, High Commissioner in French North Africa.

³¹ Neither printed; see telegram No. 101, January 14, midnight, p. 733.

recognize the Vichy Government which had the right to get rid of Consuls disloyal to it. Without withdrawing from the position taken in my *aide-mémoire*, I pointed out that this was a practical matter and expressed the hope that the Government would discourage the supplanting of the present French Consuls and any disturbance to the *status quo*. Jordana said he would give consideration to my views but gave no assurances.

Your 456, February 27, midnight.³² Repeated to Tangier and Algiers for R. Murphy.³³

HAYES

702.5181/24: Telegram

The Chargé at Tangier (Childs) to the Secretary of State

TANGIER, March 8, 1943—10 p. m.
[Received March 9—4: 52 p. m.]

374. Department's 52, February 28 [27], midnight. Not being able to see Orgaz³⁴ until tomorrow I left with Castillo³⁵ an *aide-mémoire* concerning Vichy representation a copy of which was enclosed with my despatch 1319, March 4, 1943.³⁶

Castillo who has just returned from Madrid said he had seen the account of Ambassador Hayes' conversation with Jordana on this subject. He added that Genty had returned to Madrid and it was not known whether Vichy would pursue the matter of representation in Tangier. If the request were renewed he did not see how it could be refused as the Vichy Government whether a responsible one or not was still recognized by Madrid. However, La Vastre the present French Consul General would be left undisturbed in his official quarters. Castillo remarked that one could not say what the situation might be a month from now, leaving the impression that there might be a revision of Madrid's recognition of Vichy. He recalled that both the Vichy and Algiers Governments had been born through force and it was in his opinion just as much reason for recognizing Algiers as Vichy. He also recalled the precedent established at the time of the Spanish Civil War when Franco and Republican Consulates functioned in Tangier.

Castillo recalled that the original juridical justification for the Spanish entrance into Tangier in 1940 had been to preserve its

³² See footnote 29, p. 735.

³³ Robert D. Murphy, Special Representative of the President in French North Africa and U.S. Political Adviser on the Staff of the Supreme Commander, Allied Expeditionary Force in North Africa.

³⁴ Gen. Luis Orgaz, Spanish High Commissioner in Morocco.

³⁵ Cristobal del Castillo, Spanish Consul General at Tangier.

³⁶ Not printed.

neutrality.³⁷ He added that Spain, by way of personal explanation, had always coveted Tangier and that Spain's signature to the Tangier Statute³⁸ "had been forced".

Article 10 of the Tangier Statute he recalled prohibits any agitation, propaganda or conspiracy in the Tangier zone against a foreign country.

With a view to achieving this object and preserving Tangier's neutrality he had returned charged with reducing foreign propaganda as far as possible. The taking over of the Shereefian post office he justified as in the interest of Tangier's neutrality as the Sultan to whom the post office belonged was considered a quasi belligerent.

I said that if the Spanish wished to reduce propaganda to a minimum, I thought they were promoting rather than checking such propaganda by the admission of Vichy representatives.

He said Laval³⁹ and Pietri had given Genty strict orders not to identify themselves with the Axis but to "stand close by the Spanish representative."

I said it was absurd to think that the representatives of an authority in the minds [*hands?*] of the Germans would not serve as Axis instruments. In any case I said that the presence of Vichy representatives could not but tend to divide the French colony and was sure would in the long run be a source of as much trouble for the Spanish authorities as for us. He agreed that this might in fact be the case.

Sent to the Department; repeated to Madrid, Algiers and true reading to General Clark.⁴⁰

CHILDS

702.5181/20: Telegram

The Acting Secretary of State to the Ambassador in Spain (Hayes)

WASHINGTON, March 8, 1943—11 p. m.

530. Your 480, March 2, noon. You may find a suitable opportunity to raise this subject again with the Foreign Minister. Please keep in touch with your British colleague and inform the Department of any developments.

WELLES

³⁷ For correspondence relating to the reservation of U.S. treaty rights in Tangier following the Spanish occupation, see *Foreign Relations*, 1940, vol. III, pp. 783 ff.

³⁸ Convention Regarding the Organization of the Statutes of the Tangier Zone, signed at Paris, December 18, 1923, League of Nations Treaty Series, vol. XXVIII, p. 541; revised July 25, 1928, *ibid.*, vol. LXXXVII, p. 211.

³⁹ Pierre Laval, Prime Minister, Foreign Minister, and Minister of the Interior in the Vichy Government.

⁴⁰ Lt. Gen. Mark W. Clark, Commanding General, Fifth Army.

702.5181/28 : Telegram

The Chargé at Tangier (Childs) to the Secretary of State

TANGIER, March 20, 1943—9 p. m.
 [Received March 20—8:20 p. m.]

427. My 374, March 8, and 382, March 9.⁴¹ My French colleague has been informed by Algiers that the French North African representative in Madrid has learned that Pietri, Vichy Ambassador there, has been informed by Count Jordana that the Spanish Government considers the sending to Tangier of Genty as inopportune.

The French Consul General came in to thank me for the representations of our Government on this subject which he considers had been responsible for the Spanish Government's decision.

Sent to the Department; repeated to Madrid, to Algiers, Casablanca.
 CHILDS

DESIRE OF THE SHEREEFIAN GOVERNMENT OF MOROCCO FOR
 CLOSER RELATIONS WITH THE UNITED STATES

881.00/2536a : Telegram

The Secretary of State to the Consul General at Casablanca (Russell)

WASHINGTON, May 5, 1943—1 p. m.

127. The British Embassy has furnished us with the substance of a telegram of January 29 from the British Consul at Casablanca reporting a conversation with El Glaoui,⁴² in which the latter asserted that the Sultan regarded the Protectorate Treaty with France⁴³ as having lapsed because the French were no longer in a position to act as the protecting power to Morocco. The Sultan was reported to have stated that since Morocco was not yet ripe for complete independence he would be glad to see his country receive the joint protection of the United States, Great Britain, France, and possibly Spain. He was also said to have expressed a desire for the appointment of diplomatic representatives who would have direct access to him.

El Glaoui stated that the Sultan had asked him to serve as an intermediary with the Americans and the British, adding that he had discussed with you some time ago the subject of direct diplomatic representation. It was further stated by the Glaoui that you had reported on this matter to the Department and had subsequently informed him to the effect that the idea had been favorably received here.

⁴¹ Latter not printed.

⁴² Hadj Thami al Glaoui, Pasha of Marrakesh.

⁴³ Signed at Fez, March 30, 1912, *British and Foreign State Papers*, vol. cvii, p. 1023.

We have informed the British that the alleged request of the Sultan for diplomatic representation has not previously come to our attention and that without talking with the French we would not regard with favor any change in the present situation. In this connection the British Embassy has furnished us with the observations of the British Consul General at Rabat, who in a telegram dated February 20 expressed the strong opinion that it would be both impracticable and impolitic to support any such policies or ambitions as ascribed to the Sultan. The Consul General felt that any move by the Allies to modify the political status of Morocco would arouse the resentment of all Frenchmen, and that to appoint diplomatic representatives as the Sultan apparently contemplated could only be regarded by the French as the first step to destroy their position and undermine their prestige in Morocco. We have been told by the British that these remarks reflect the attitude of the British Foreign Office.

There is no objection to your conferring with your British colleague regarding his conversation with El Glaoui.

Repeat to Rabat and Tangier.

HULL

881.00/2537 : Telegram

The Consul General at Casablanca (Russell) to the Secretary of State

CASABLANCA, May 6, 1943—4 p. m.

[Received 6:55 p. m.]

166. Department's 127, May 5, 1 p. m. I have had only two interviews with Glaoui on political matters: The first was reported to Department in my 892, December 10, noon, last,⁴⁴ the other, which is probably the basis of the report, to Mr. Murphy⁴⁵ by my 12, January 9, noon. By some clerical oversight this telegram was not repeated to Department as I have just verified. This telegram reads as follows:

"I had another interview with Hadj Thami el-Glaoui, Pasha of Marrakech. Following matters were conveyed to me from the Sultan by him.

(1) Sultan again emphasized his total interest and sympathy with United Nations' cause.

(2) Sultan also emphasized that a constant barrage of anti-American propaganda is directed against him by the Residency. Lemaire the successor of Marchal as Shereefian Counsellor is worst offender in this respect constantly bringing to Sultan stories of alleged American outrages against natives. Sultan does not believe these and 2 days ago told Lemaire not to come to see him any more except on strict business.

⁴⁴ Not printed.

⁴⁵ Robert D. Murphy, Special Representative of the President in French North Africa.

(3) Sultan urges establishment of high ranking American diplomatic officer at Rabat as he wants more contact with American Government and greater contact between nationals of both countries as ground for future collaboration after war. (Naturally I did not tell Glaoui how difficult would be establishment of such officer at Rabat in view of present political set up. I simply mention what the Sultan said as interesting sidelight on his political ideas.)

(4) Sultan said he had sometime ago raised question of inviting American officers to a banquet, but that Residency had not yet replied. He stated his intention of raising question again shortly.

(5) Sultan was rather hurt that the condolences of General Patton⁴⁶ regarding native victims of Casablanca bombing of December 31 were addressed to Pasha here rather than to His Majesty whose subjects they were. He indicated that it was still not too late for an American official delegation to visit him to express condolences which would give him opportunity to extend banquet invitation to American officers even if Residency officials were present at interview. He added that even such sad occasions could be made opportunities for contacts between him and American representatives. (I simply repeat without comment the message as received.)

(6) Sultan who is very jealous of sovereign status of Morocco as compared with Algeria spoke with dislike of recent action of French High Commission in naming Troncas Director for Finances of the two countries which seemed to disregard and derogate from the special status of Morocco as protectorate."

It was my full intention to have this repeated as I fully realized that the material therein would be interesting to Department.

At the time of the interview I told Glaoui this would be repeated to appropriate American authorities. Since that interview I have only met him socially and have discussed no political matters. Therefore, his statement that I informed him subsequently of favorable reception in Washington of Sultan's proposals is absolutely untrue. I have been too long in the service to commit such an error and, furthermore, my telegram shows my reaction to the proposals at the time. Furthermore, I fully agree with the Department's disfavor of any change and with the attitude of the British Foreign Office.

Unfortunately the British Consul General who originally reported the conversation with Glaoui has been transferred recently to Cairo so that it is impossible to confer with him. I shall, however, see his successor and emphasize the lack of truth in the Glaoui's statement that I reported a favorable reception at Washington of the Sultan's proposals.

Repeated to Rabat and Tangier.

RUSSELL

⁴⁶ Lt. Gen. George S. Patton, Commanding General, Central Sector, U.S. Forces in Tunisia, previously Commanding General of the Western Task Force in Morocco.

740.0011 European War 1939/29614 : Telegram

The Consul General at Algiers (Wiley) to the Secretary of State

ALGIERS, May 28, 1943—noon.

[Received 5:10 p. m.]

986. For the Secretary from Murphy. During the past months several hints have been made that the Sultan of Morocco would be inclined to declare war against Germany and Italy. The latest indication comes through an Arab personality named Cherif Benzidan of Meknes. He states that in a conversation with the Sultan on May 14th the latter stated his readiness to declare war on the Axis Powers and would do so officially and openly in the form of a public address before an American high ranking official. This statement of course is subject to verification.

I should be grateful for your views. Would you welcome such a declaration of war? Would it complicate our Spanish policy? The declaration as proposed would only relate to French Morocco. [Murphy.]

WILEY

740.0011 European War 1939/29614 : Telegram

The Secretary of State to the Consul General at Algiers (Wiley)

WASHINGTON, June 4, 1943—6 p. m.

1070. Your 986, May 28, noon. For Murphy. It is difficult to perceive what we would gain by a formal declaration of war on the part of the Sultan of Morocco. Various declaration and acts of the Sultan in 1939 gave unreserved support to France and are considered to have had the effect of including French Morocco among the belligerents.⁴⁷ French Moroccan troops of course have been associated with the Allies in the fighting in North Africa.

Unless you have some specific views to the contrary, we are furthermore inclined to believe that the possible complications in Tangier and Spanish Morocco of a war declaration by the Sultan would outweigh any advantages to be derived from such a move.

HULL

⁴⁷ For correspondence relating to the reservation of American treaty rights as affected by emergency war measures in the French Zone of Morocco, see *Foreign Relations*, 1939, vol. iv, pp. 684 ff.

881.00/2576 : Airgram

The Special Representative of President Roosevelt in French North Africa (Murphy) to the Secretary of State

ALGIERS, June 26, 1943—4 p. m.
[Received July 20—4:30 p. m.]

A-50. At the invitation of Lieutenant General Mark W. Clark,⁴⁸ I proceeded to Oudjda, French Morocco, on June 24th for the purpose of participating in the ceremonies organized incident to the visit to that place of the Sultan of Morocco.

During the course of this visit the Sultan was the guest of General Clark at a reception and a military demonstration offered by American forces. General Clark also presented the Sultan with an automobile as a token of American esteem and provided him with a squadron of airplanes for his return to Rabat.

The ceremonies, which were attended by French officials and Moroccan pachas and caids from the principal points in Morocco, were marked by a great cordiality and good will. They left little doubt regarding the present enthusiasm shown by the Arab population for the American military forces in French Morocco and great credit is due to the skill and tact displayed by General Clark in the conduct of his relations with the Moroccans.

During the course of a conversation I had with the Sultan he dwelt at great length on the value which he and his people attached to liberty. He repeatedly expressed the desire to cooperate actively and enthusiastically with the American authorities in the war effort and, of course, added many references to the hope of the Moroccan population for the support of the United States in the future.

The Sultan has also sent me word, through Si Mammeri, his official interpreter and protocol officer, that he desires to speak to me confidentially as soon as may be convenient.

There is no doubt in my mind that, as a result of the friendly treatment given by the American military authorities to the Moroccan Arabs, we may count on their friendship. At the same time there is also little doubt of their growing hope that the United States may intervene in their behalf to relieve them from the French Protectorate. The American military authorities, of course, are interested in attaining their objective, namely the wholehearted cooperation of the Arab population during the coming critical months, for purely military reasons. It is a situation which calls for considerable tact to avoid a campaign on the part of the Arabs for our support in obtaining a political adjustment at some future date. I do not believe that the Cherifian authorities hope for such an adjustment prior to the termi-

⁴⁸ Commanding General, Fifth Army.

nation of hostilities, but it is apparent that they are constructing a plan looking to that ultimate result.

I have been careful to avoid several suggestions emanating from Rabat for a "confidential" discussion with the Sultan, as I feel that this is a matter in which the Department would desire the greatest prudence exercised.

I have also had several conversations with the new Resident General in Rabat, Gabriel Puaux. I find him extremely helpful and friendly and I am confident that we shall obtain the maximum cooperation from him. He has selected as his Chief of Cabinet Mr. François de Rose, who is well and favorably known to the Department as a friend of the United States. It seems to me that the new administration organized under Resident General Puaux augurs well for future Franco-American relations in French Morocco.

MURPHY

881.001/83

The Chargé at Tangier (Childs) to the Secretary of State

No. 1719

TANGIER, October 2, 1943.

[Received October 16.]

SIR: I have the honor to refer to the Legation's despatch no. 1715 of October 1,⁴⁹ concerning the visit to Tangier of Moulay el Larbi, Khalifa of the Pasha of Marrakesh. More recently Hadj Thami el-Glaoui, the Pasha of Marrakesh, has himself visited Tangier for the purpose of effecting the settlement of the affairs of the late Sultan Abdul Aziz in conformity with the wishes of the present reigning Sultan of Morocco. However, according to the Legation's information the Glaoui has been equally unsuccessful in that effort and has departed with empty hands. Moulay el Larbi has returned with el-Glaoui to Marrakesh but, it is reported, will return to Tangier shortly to continue the negotiations.

The Glaoui is known to the Department as a strong Moroccan Nationalist. During a recent exchange of visits between him and Mr. Elbrick,⁵⁰ who was then in charge of the Legation, the future status of Morocco was discussed. A memorandum of the Glaoui's observations regarding this matter is enclosed as of interest to the Department.

Respectfully yours,

J. RIVES CHILDS

⁴⁹ Not printed.

⁵⁰ C. Burke Elbrick, Second Secretary of Legation at Tangier.

[Enclosure]

Memorandum by the Chargé at Tangier (Elbrick)

When I called upon el-Glaoui to return his call I brought up the question of the future status of Morocco and asked him just what he envisaged for the future of this country. El-Glaoui began by saying that he looked forward to the elimination of protectorates or zones of influence and the creation of a unified Moroccan state. He said that the Spanish had done little or nothing for the inhabitants in the Spanish zone of Morocco and that every Moroccan in both the French and Spanish zones dislikes them for this reason. He cited the facts that there are few, if any, good roads, no instruction, and a very low standard of living amongst the population of the Spanish Zone. He went on to say that the French had treated the Moroccans little better in the French Protectorate, his chief complaint being that the French refused to grant educational facilities to the inhabitants, who are kept in a state of constant penury. He said that he and all Moroccan Nationalists are hopeful that the United States will aid them in the restoration of a Moroccan State in accordance with "President Roosevelt's declaration". He later explained that by this "declaration" he meant the Atlantic Charter.⁵¹

I said that I could not speak for my Government on this matter, but that I was sure that the authorities of the American Government would be interested in hearing his views. I asked him what kind of aid he desired from the United States, if such aid could be forthcoming, and he replied "Political, social and economic aid," which is somewhat all-embracing. He said that he had been authorized by the Sultan to speak to any and all American officials in this manner, since the Sultan himself was not able to do so. It appears that the Sultan complains that he is not able to see American officers except in the presence of French officials, and that consequently he is unable to express his views frankly. He said that he, el-Glaoui, had spoken in this vein to several officers of the United States Government in French Morocco and that he was very hopeful that these talks will bear fruit in the future.

Later, upon leaving, Moulay Larbi, who was present at the interview, stated that henceforth he felt that the United States would have a very great interest in Morocco from the point of view of air communication with Europe and Africa and also, more importantly, from the point of view of hemispherical defense. He said that he believes that England and the United States henceforth will have to maintain bases from Narvik to the Cape of Good Hope and that it will be impossible for Morocco to be ignored under such conditions.

⁵¹ Joint statement by President Roosevelt and Prime Minister Churchill, August 14, 1941, *Foreign Relations*, 1941, vol. I, p. 367.

He went on to say that as an intermediate step Morocco after the war should be placed under an Inter-allied Mandate, in which the United States should play the principal role, and that experts and technicians of various kinds, and representing the various Allied Nations, should be sent to Morocco to exploit and build up the country. At the end of a period of years, he said, Morocco would then be in a position to assume her full sovereignty and independence.

C. B[URKE] E[LBRICK]

TANGIER, September 30, 1943.

881.001/83

*The Chief of the Division of Near Eastern Affairs (Aling) to the
Chargé at Tangier (Childs)*

WASHINGTON, November 19, 1943.

DEAR RIVES: Your strictly confidential despatch number 1719 of October 2, 1943, on the subject of the visit of Hadj el-Glaoui and his observations on the future status of Morocco, has created considerable interest in the Department. For your information, in case you may have any doubts as to the propriety of discussing the future of the Protectorate with el-Glaoui, I wish to inform you that there is no objection on the part of the Department to your maintaining direct contact with el-Glaoui for this purpose.

Sincerely yours,

P[AUL] H. A[LLING]

881.00/2724a

The Secretary of State to the Consul General at Casablanca (Russell)

WASHINGTON, December 1, 1943.

SIR: Reports have reached the Department that in certain parts of North Africa the attitude of the French authorities toward the native population is a source of friction and complaint. In view of the interest of this Government in the broad principles of the Atlantic Charter and the Four Freedoms,⁵² and in view of the close relation of the native question in North Africa to Arab problems elsewhere, you are requested to report fully on all political and social developments in your territory which affect the welfare of the native population.

The Department desires to be kept currently and completely informed concerning all phases of the local French administration,

⁵² Contained in President Roosevelt's message to Congress on the State of the Union, January 6, 1941, *Congressional Record*, vol. 87, pt. 1, pp. 44-47.

with particular reference to the treatment of the natives. While you should be careful to refrain from public criticism or active interference in French internal affairs, you may indicate in your contacts with French officials that the Government and the people of the United States have a natural interest in the native situation in French North Africa and that this interest may be expected to increase in the future.

Very truly yours,

For the Secretary of State:
EDWARD R. STETTINIUS, JR.

PALESTINE

ATTITUDE OF THE UNITED STATES TOWARD THE ARAB-ZIONIST CONTROVERSY CONCERNING THE FUTURE STATUS OF PALESTINE AND THE QUESTION OF JEWISH IMMIGRATION INTO PALESTINE¹

867N.00/611 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, January 11, 1943—11 a. m.

[Received 5 : 53 p. m.]

61. Personal for the Secretary and Under Secretary.² Prince Mohammed Ali, heir to the Egyptian throne, has called me to say that he and leaders in the Arab world have lately been disturbed by the utterances from the United States which have placed emphasis on the Jewish aspect of the Palestinian problem to the exclusion of the Arab viewpoint. His Royal Highness added that there was no intention to deny or ignore Jewish rights or aspirations but he hoped that equal consideration was being given to the Arab angle of this problem.

I understand that the Prime Minister of Iraq³ had the intention of approaching you in the foregoing sense and accordingly I submit the Prince's views in the premises.

Repeated to Jerusalem and Baghdad.

KIRK

867N.00/612 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, January 23, 1943—9 a. m.

[Received 10 : 23 p. m.]

153. For the Under Secretary from Lt. Colonel Hoskins:⁴

1. In accordance your suggestion am cabling you direct on one situation in this area that, unless some action is taken, may soon become serious. In venturing any comments on the complicated Arab-Jewish problem I realize I am moving into deep waters where you may prefer

¹ For previous correspondence concerning this subject, see *Foreign Relations*, 1942, vol. iv, pp. 538 ff.

² Sumner Welles.

³ Nuri as-Said.

⁴ Lt. Col. Harold B. Hoskins; for correspondence regarding the dispatch of the Hoskins Mission to the countries of the Near East, see *Foreign Relations*, 1942, vol. iv, pp. 24 ff.

I should not enter. However, someone must grapple with the situation. If matter is allowed to drift, a very bloody conflict is in the making, that in addition to its domestic repercussions in Britain and the United States will inflame not simply Palestine but in varying degrees all of Moslem world from Casablanca to Calcutta.

2. From my recent survey trip over Arab Near East I have come to conclusion that unless positive steps are taken to prevent it there may well be a renewed outbreak of fighting between Zionists and Arabs in Palestine before end of the war and perhaps even this spring. In turn such fighting is likely to lead to the massacre of Jews in Syria, Iraq and other parts of Arab Near East. As against this opinion I should also state that although some British officials in this area share my view, most of them do not believe situation is immediately serious. I have, however, found very few who do not at least agree that as things are now going Arab-Jewish conflict will probably break out soon after the war is over.

3. On the Jewish side I have found Zionist officials of the Jewish Agency⁵ uncompromisingly outspoken in their determination that Palestine at end of this war shall become not merely a national home for the Jews, but a Jewish state despite any opposition from the 1,000,000 Arabs living there. In various ways main result of many of their efforts seems to be to goad Palestinian Arabs into breaking informal truce that has existed since war began. This enormously increased assurance on part of Jews in Palestine stems from two main sources: (a) Their feeling that they have the increasing support of public opinion in Great Britain and the United States; (b) their confidence in their increased numbers and in their supply of arms that makes them feel they can more than hold their own in actual fighting with Arabs of Palestine.

It is no secret that the Hagana, their secret Jewish military organization, has plans fully made and is well equipped not only with small arms, but also with tommy-guns and machine guns many of them purchased from Vichy French forces in Syria and smuggled into Palestine during past 2 years.

4. Arabs on the other hand feel that during the war Jews have continued their world-wide propaganda for Zionist state. Arabs

⁵ Article 4 of the League of Nations Mandate to the United Kingdom for Palestine provided that "An appropriate Jewish agency shall be recognised as a public body for the purpose of advising and co-operating with the Administration of Palestine in such economic, social and other matters as may affect the establishment of the Jewish national home and the interests of the Jewish population in Palestine . . ." (*Foreign Relations*, 1924, vol. II, p. 214.) The constitution of the Jewish Agency of August 14, 1929, had the formal approval of the British Government. The Jewish Agency was the recognized representative of the Jewish interest in Palestine, and the Executive of the Agency, located in Palestine, conducted all official negotiations with the Mandatory Power.

fear, therefore, that at the end of war they will be faced with a *fait accompli* where Palestine will by agreement between the great powers be handed over to Jews. It is this fear that is being constantly played on in Axis propaganda to this area. Furthermore, Nazis have of late been increasingly effectively soft-pedaling any Axis interests in matter and stressing the one fact that a United Nations' victory means certain loss for the Arabs of Palestine to the Jews.

5. Any serious conflict between Arabs and Jews no matter how it originates will if allowed to continue for any length of time have repercussions over all the neighboring area. From past experience Jews know that when serious Arab-Jewish troubles start in Palestine Arab assistance from eight bordering states will again pour in. This increased opposition, the Jews admit, they are not strong enough to overcome. To meet this situation Jews are counting on British or British and American military assistance. This also the Nazis fully recognize and they are bending their efforts to time any such outbreak for moment when United Nations will least desire to divert from active operations elsewhere fighting troops necessary to quell civil war in Palestine.

6. Meanwhile, even if a detailed solution of the Arab-Jewish problem must await a postwar settlement, much could be accomplished in reducing present tension and helping the situation from boiling over during the war period.

A brief statement by the United States or, even more effective, a joint statement by British and the United States that would rule out in advance any Allied military support for the extreme positions of either Zionists or Arab nationalists would go far toward accomplishing this result.⁶

7. In addition to issuance now of such a statement I have two other specific suggestions to make:

(a) So that American public opinion may realize more fully that there are two sides to the case and that Palestine is not an uninhabited area into which several million Jews from Europe can at end of war be dropped and immediately find land and livelihood, I suggest that Emir Abdullah of Trans-Jordan, together with a carefully chosen group of five or six moderate Arab nationalists, be permitted to visit the United States. His presence there can, I believe, be utilized as were the visits of King George of Greece and King Peter of Yugoslavia to make clear to American public certain Arab aspects of the problem that are not now understood. Admittedly Abdullah is not a perfect vehicle, but he would appear on the whole to be most satisfactory one that can be found. His entourage should contain moderate

⁶ Wallace Murray, the Adviser on Political Relations, sought to implement this suggestion by submitting a proposed draft statement to the Secretary of State and the Under Secretary of State (Welles) on February 1 (867N.01/1841). No action, however, was forthcoming.

Arab nationalists representing various religious faiths and should include representatives from Palestine, Syria, Lebanon, and Trans-Jordan. These men should be chosen on the basis that they are willing to face the fact that there are 500,000 Jews in Palestine who should not and cannot be removed, any more than the 1,000,000 Arab inhabitants. They should be men who are interested in working out an amicable solution and who start from the facts and conditions as they are today rather than as they might have preferred them to be. There are a number of such men available.

(b) On the Jewish side in Palestine there are fortunately also certain individuals and groups that increasingly realize the necessity of working out a peaceful solution with the Arabs. Among these are Mrs. Henrietta S. Zold of the Youth Immigration Bureau, Dr. J. L. Magnes, President of Hebrew University, and Mr. Bendashov, leader of one wing of Jewish labor movement, Hashon Mirhatzair. Dr. Magnes has outlined his ideas of a compromise in the current January issue of *Foreign Affairs*. I suggest that these moderates also be allowed to visit the United States to develop their case. In doing so they would, I believe, gain support of many American Jews who favor additional home for the Jews in Palestine, but who do not favor extreme Zionist position of the Jewish Agency.

8. Every effort should be made to enable these two moderate groups while they are in the United States to reach an amicable solution. Such an effort would I am sure receive the strong support and assistance of various Christian groups in the United States who are also anxious to see a peaceful settlement of Palestine problem fair to both Arabs and Jews. Such Christian groups could rally wide American support for such a compromise plan if they make clear to the American people the single fact that effective American support for either extreme solution, whether Arab or Jewish, would in effect be committing the United States to use of military force in this area and, based on past British experience, a resulting loss of lives of American soldiers.

9. I have discussed in a general way ideas outlined above with Mr. Casey⁷ and various British and American officials and have found them sufficiently sympathetic so that they thought I should at least present them to you. If you feel they are worth further exploration and wish me to do so I can develop them more concretely and can, for example, suggest specific Arabic individuals who I believe would be interested in working on such a program.

10. Joint United States Chiefs of Staff already have under consideration my cable⁸ from Jerusalem to General Deane⁹ regarding my possible activities in Syria. In that cable I suggested advisability of my being called back to Washington for a brief period of consultation. If you feel such a step would also be desirable for a detailed

⁷ Richard G. Casey, British Minister of State Resident in the Middle East.

⁸ Telegram No. 10, January 14, not printed.

⁹ Brig. Gen. John R. Deane, Secretary, Joint Chiefs of Staff.

discussion of the above Arab-Jewish suggestions you may care so to advise Admiral Leahy¹⁰ with whom General Deane is associated.

Repeated to Jerusalem and Beirut. [Hoskins.]

KIRK

867N.00/612: Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, January 28, 1943—6 p. m.

156. From the Under Secretary for Lieutenant Colonel Hoskins. Your 153, January 23, 9 a. m., has been read with interest and you may be sure that we are giving it careful thought. Our present feeling is that it would be inadvisable to bring groups of Arabs and Jews to this country for a discussion of the Palestine problem. However, the suggestion has been made that Ibn Saud¹¹ be asked to designate one of his sons to come here for a visit.¹² The invitation would, of course, be extended to the King in the first instance but since it is assumed that he would find it impracticable to accept, it would be made clear that we would be glad to have one of his three eldest sons visit this country, should the King himself find it impossible to come. It is felt that such a visit would accomplish at least some of the purposes you have in mind. Please discuss this suggestion with the Minister and let us have your views. [Welles.]

HULL

867N.00/618

The Egyptian Minister (Hassan) to the Secretary of State

WASHINGTON, February 2, 1943.

SIR: At the direction of my Government, I have the honour to hand over to your Excellency the enclosed *aide-mémoire* in connection with the question of Palestine.

Please accept [etc.]

HASSAN

[Enclosure]

The Egyptian Legation to the Department of State

AIDE-MÉMOIRE

The realization of the aspirations of Palestine has always been one of the objectives of Egyptian Policy. The Government of His Ma-

¹⁰ Adm. William D. Leahy, Chief of Staff to the Commander in Chief, United States Army and Navy.

¹¹ Abdul Aziz ibn Saud, King of Saudi Arabia.

¹² For correspondence regarding the visit of Amir Faisal to the United States, see pp. 840 ff.

justy the King of Egypt have not failed to give evidence to the interest they attach to this problem. Thus, as soon as she joined the League of Nations, Egypt has precisely formulated her point of view on the question of Palestine in a speech delivered by the Minister of Foreign Affairs at the Assembly of the League held on the 18th of September, 1937.

The speech emphasized the interest of the Egyptian people and their Government in Palestine, on account of close historical and religious affinity existing between the two sister and neighbouring countries as well as the relations of amity and alliance existing between Egypt and Great Britain and the necessity of finding a solution of the various interests involved based on the principles of equity and justice. Guided by these principles, practical suggestions were made on behalf of the Egyptian Government to the effect that Palestine remain in the hands of Palestinians of origin: Mohammedans, Christians and Jews. Moreover, the speech uttered by the Minister of Foreign Affairs recalled the promise made by the British Government to the Arab world in 1917 [1918?]¹³ namely the contemplation of the eventual recognition of the independence of all Arab countries including Palestine; it pointed out that, after all, "the Balfour Declaration"¹⁴ itself only envisaged favorably the establishment of a National home for the Jews in Palestine and its endeavours to facilitate the realization of this aim, with the clear understanding, however, that nothing should be done that would prejudice the civilization, the religion and the rights of other communities in Palestine. This could

¹³ This is apparently a reference to the Joint Declaration by the British and French Governments, November 8, 1918; for text, see telegram No. 226, November 25, 1918, from Cairo, *Foreign Relations*, The Paris Peace Conference, 1919, vol. II, p. 274.

¹⁴ In November 1917 the British Secretary of State for Foreign Affairs, Arthur James Balfour, wrote the following letter to Lord Walter Rothschild regarding a Jewish national home in Palestine (facsimile copy in *Book of Documents submitted to the General Assembly of the United Nations Relating to the Establishment of the National Home for the Jewish People . . . 1917-1947*, published by The Jewish Agency for Palestine, New York, May 1947):

"Foreign Office, November 2nd, 1917.

"Dear Lord Rothschild, I have much pleasure in conveying to you, on behalf of His Majesty's Government, the following declaration of sympathy with Jewish Zionist aspirations which has been submitted to, and approved by, the Cabinet.

"His Majesty's Government view with favour the establishment in Palestine of a national home for the Jewish people, and will use their best endeavours to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country"

"I should be grateful if you would bring this declaration to the knowledge of the Zionist Federation.

"[Complimentary ending illegible] Arthur James Balfour".

Regarding the interest of the United States in the issuance of this statement of policy by the British Government, see *Foreign Relations*, 1917, supp. 2, vol. I, pp. 317, 473, and 483.

only mean that any solution to be adopted, should receive the consent of the Arabs as well as the other communities.

It is of no little interest to mention, in this connection, that the painful events which followed in Palestine have deeply moved the Egyptian people, and the Egyptian Parliament echoed their voice by demanding that the Government intercede and use all its influence with a view of finding a speedy solution to this problem. Consequently, the Egyptian Government approached the other Arab countries and invited them to a convention which took place in Cairo in 1939. The delegates to this convention emphasized the unanimous interest of the Arab countries in the question of Palestine and thus led to the convening of the "London Congress"¹⁵ in the same year.

As a result of elaborate negotiations the British Government published a "White Book",¹⁶ which consecrated, to a large extent, the Arab revendications and proposed the creation of a **Palestinian State**, which would attain its independence in a period of twenty years. The same Book also proposed that the continuation of Jewish emigration into Palestine should take into consideration the capacity of absorption by that country as well as the economic conditions, and that, at all events, such emigration should cease as soon as the number of the Jews would attain one-third of the total population and that no further Jewish emigration could take place without the consent of the Arabs. The British Government, in turn, undertook to carry out the conclusions adopted by the "White Book". A law was to be promulgated to regulate the repartition of the land in Palestine. From that time on, Egypt has followed with great interest the evolution of events in Palestine and, in complete agreement with other Arab countries, watched anxiously the realization of the aspirations in that country, taking also into account the implications of the treaty of amity and friendship between Egypt and Great Britain.¹⁷

However, the Zionist leaders made no secret of their ambitions to transform Palestine into a powerful Jewish nation and, to attain this end, they have displayed considerable activities in the democratic nations. These activities which are reflected in the Press, have found their echo amongst some of the responsible circles as well as those possessing great political and social influence. These maneuvers have had a deplorable effect on the Arab and Mohammedan world, and it is feared that the success of the Zionist propaganda in the U. S. A. may lead to the erroneous impression that the U. S. Government favor

¹⁵ For correspondence concerning the British discussions at London with Arab and Jewish representatives, February and March 1939, see *Foreign Relations*, 1939, vol. iv, pp. 694-823, *passim*.

¹⁶ The White Paper was dated May 17, 1939; for text, see British Cmd. 6019: *Palestine, Statement of Policy*.

¹⁷ Signed at London August 26, 1936, League of Nations Treaty Series, vol. CLXXIII, p. 401.

the Jews at the expense of the Arabs. In fact, the experience of the past and the success of the Zionist activities during the last war have affected the attitude of the Arabs and have resulted in the difficulties, past and present, encountered by the British policy.

It has been gratifying to witness that during the present world conflict the U. S. A. has intensified her friendly relations with the Arabic and Mohammedan nations. Egypt, which attaches a special price to her friendship with the U. S. A., is very desirous that nothing should ever obscure their relations and she feels it is her duty to convey to the U. S. Government the painful reaction in public opinion, as a result of the Zionist activities in America; in fact, this reaction may not prove helpful to the task of the Government whose profound sympathies have always gone to the democracies and whose attitude has been most favorable to the Allies. It is the hope of the Egyptian Government, therefore, that the responsible circles of the U. S. A. should not lose sight of these considerations and it is important to emphasize, in this respect, that any promises or declarations made by them to the Zionist cause will only create immeasurable difficulties. Is it necessary to recall, in this connection, how harmful the promises made by Great Britain to the Jews have proved and how far they have contributed to complicate the situation in Palestine?

Needless to add that Egypt will only be too glad to collaborate, in due time, in the solution of this thorny problem.

867N.00/619

Memorandum of Conversation, by the Secretary of State

WASHINGTON, February 3, 1943.

The Minister of Egypt called at his request. He handed me an *aide-mémoire* with a covering note, copies of which are hereto attached,¹⁸ relating to the question of Palestine and the Jewish and Arab problems.

The Minister said that, in his opinion, any controversial proposals and their subsequent discussion relating to the Palestine-Jewish-Arab situation were calculated more to hurt than to help, and that there should be worked out a harmonious understanding in regard to the best solution of these problems. He added that there was keen sympathy on the part of himself and his people for the Jews in their almost universal persecution and suffering in Europe and that the Egyptians were very desirous of seeing the question of the Jews' future safety and welfare solved to the best possible advantage. In this connection, he thought that so far as Palestine was concerned, the ratio of those allowed to remain there should be one-third Jews and two-thirds

¹⁸ *Ante*, p. 751.

Arabs. He felt that the Balfour Declaration was calculated to give more trouble than otherwise.

He then referred with much concern to the signatures of several thousand leading American citizens, published far and wide during recent weeks in the Middle East, and to the serious repercussions and possibilities of uprisings that may be caused by the circulation of these names, et cetera. I remarked that I was under the impression that many of these signatures were picked up casually over a period of one, two or three years, although I was not stating this as a fact, but merely to let him have the benefit of that possibility for whatever it might be worth in appraising the actual value of these signatures.

I then inquired of the Minister as to what his remedy was for the Jewish situation. He replied that speaking for himself only and not for his Government he was of the opinion that a feasible remedy would be for the twenty-nine United Nations to agree to take their proportional share of Jews from all over the world and assure them of their safety and opportunity for a living. I remarked that this idea was very interesting.

C[ORDELL] H[ULL]

867N.00/615 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, February 5, 1943—9 a. m.

[Received February 6—5:13 p. m.]

269. Ministry of Foreign Affairs has sent me a copy of *aide-mémoire* regarding Palestine transmitted to Egyptian Minister in Washington for presentation to Secretary.

Raising of question at this time by Egyptian authorities is regarded as reflecting recently aroused apprehension in Moslem and Christian Arab circles because of apparent effort of Zionists to increase tempo of activity, particularly in United States, with view to obtaining commitments under stress of war which it might be more difficult or impossible to obtain in course of general postwar discussions (see my 61, January 11, 11 a. m.).

In this connection I have noted in discussions with Zionist spokesmen visiting Cairo recently a marked hardening in their attitude (possibly owing in part to increased confidence resulting from alleged large-scale clandestine arming by Jews in Palestine) which in several cases has taken the form of frankly admitting that it is idle to continue to talk of "negotiations" between Arabs and [apparent omission] in balance obvious that any solution satisfactory to Zionists would have to be "imposed" on Arabs by threat or use of force and this latter the only realistic line of action to adopt.

With situation developing in this ominous manner, I submit that our policy should be directed toward damping down these threatening flames rather than throwing coals on the fire in the form of any official commitments regarding Palestine or of countenancing unbridled agitation of a semiofficial character which only serves to bring out the extreme views of one side without regard for the feelings or rights of Moslem and Christian Arabs and even many Jews. A contrary policy would contravene our established stand that our primary object is to exert every effort to defeat the Axis by military force and that regional political problems must be subordinated to that aim.

Therefore, viewing the matter from the more specific point of view of the prosecution of the war, there is no doubt that the raising of the Zionist issue now might serve to undo much of the laborious and constructive work done by Allied and Middle Eastern leaders alike in bringing about an improved situation in this area and, if the impetus appears to come from the United States, it would have the additional effect of vitiating much of the long standing heritage of good will toward the United States in this area as well as to detract from the wartime prestige which we have built up through propaganda and armed successes.

KIRK

867N.00/617 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, February 15, 1943—5 p. m.

[Received 5:08 p. m.]

347. For the Under Secretary from Hoskins.

“Regret delay in answering your 156¹⁹ has been due to my absence in Turkey. I can readily appreciate the preference of the Department for not having groups of Arabs and Jews brought to the United States for discussions of the Palestine question during the war if this can be avoided. On the other hand this may prove to be the lesser of two evils if such discussions can prevent the situation in Palestine which is already simmering from boiling over before the war is ended. In this connection you have no doubt noted the spate of *aide-mémoires* and memoranda that have been received by this Legation in recent weeks from official as well as unofficial sources.

As to your suggestion of a visit to the United States by Ibn Saud or one of his sons there would be no objection to this and much good might result. However Mr. Kirk tells me he has made such suggestions several times but always on the basis that the visit would take place after the war when conditions would be more normal and it

¹⁹ January 28, p. 751.

would be possible to show them more appropriate attention. I also feel that in many ways such a visit might prove more satisfactory if made after rather than during the war.

As to the idea of using the visit of one of Ibn Saud's sons to accomplish at least some of the purposes suggested in my cable No. 153²⁰ Mr. Kirk and I both feel that the Arab-Jewish problem is to a considerable extent distinct from Saudi Arabia and we question very much the advisability of injecting any further element into an already complicated situation. There may however be reasons for your suggestion with which we from this end are not very familiar. If so I suggest the matter might rest till my return to Washington as I am planning on leaving Cairo in a few days."

KIRK

867N.00/627

Memorandum of Conversation, by Mr. William L. Parker of the Division of Near Eastern Affairs

[WASHINGTON,] March 3, 1943.

Participants:	Dr. Chaim Weizmann ²¹	Mr. Murray
	Mr. Moshe Shertok	Mr. Alling ²³
	Dr. Nahum Goldmann ²²	Mr. Merriam ²⁴
	Mr. Louis Lipsky ²²	Mr. Parker

Dr. Weizmann, accompanied by Mr. Shertok, Dr. Goldmann and Mr. Lipsky, called to discuss matters relating to the status of Palestine. Mr. Murray initiated the discussion by addressing a few courteous preliminary remarks to Dr. Weizmann, who replied that Mr. Shertok was present in order to express his views concerning the war effort in Palestine with which he, of course, was familiar as head of the political section of the Jewish Agency at Jerusalem. Before inviting Mr. Shertok to express his views Dr. Weizmann remarked that recently American officials, particularly army officers, returning to this country after brief visits to Palestine, have been indulging in clichés about Palestine unfavorable to the Jewish position there without knowing much about the situation and not having been there long enough to have gained a true understanding of the facts.

Mr. Shertok prefaced his remarks by stating that there have been many changes in Palestine since he met Mr. Murray in Jerusalem in 1938. Since that time the White Paper has been promulgated and

²⁰ January 23, p. 747.

²¹ President of the World Zionist Organization.

²² Dr. Goldmann and Mr. Lipsky were Zionist leaders.

²³ Paul H. Alling, Chief of the Division of Near Eastern Affairs.

²⁴ Gordon P. Merriam, Assistant Chief of the Division of Near Eastern Affairs.

war has descended upon the world. Mr. Shertok declared that the White Paper and the war effort are in conflict because the White Paper forbids immigration at a time when the war effort calls for the greatest mobilization of existing resources in Palestine. He continued along the following lines: The Jews are not in Palestine by accident; they are there as a result of an organized effort. If the power of the Jewish economic machine is to be harnessed to the war effort it is necessary to cooperate with the Jews in Palestine. In order to effect such cooperation, the Jewish authorities in Palestine are determined to alter the White Paper policy in order to derive the most from Palestine as a contribution to the prosecution of the war.

When the war first started, the Jews of Palestine did not expect the British Government to change the White Paper policy immediately but expected that it would be held in abeyance. This belief was held because Palestine 1) was actually threatened with invasion, 2) is against Hitler, 3) is a part of the progressive world.

Palestine has made great contributions to the war effort. There are 30,000 Palestinian Jews in the military services, 20,000 of them in the Army and others in such organizations as the police. There are, however, only about 8,000 Arabs in all of the British Empire forces. Of the Arabs in the armed forces, about 25 per cent desert and about 25 per cent more are dismissed. Desertions and dismissals among the Jews, however, are extremely rare.

In addition to its contributions to the armed forces, the Jewish community of Palestine is turning to industry and to employment of its scientific resources for the benefit of the war effort. There are Jews in war work all over the Near East. Recently the British Army needed some Jews to work in Iraq and took them over the frontier in uniform although they were not military personnel. (Dr. Weizmann remarked that this was "illegal immigration".) Mr. Shertok stated that such action could be condoned as a desperate measure, but he pointed out that the Jews also are waging a desperate struggle for existence. The Jews of Palestine have wondered what it would have been like and what a contribution they could have made if there had been 1,000,000 or 2,000,000 Jews in Palestine instead of only half a million. If the Jews in Palestine had been two or even four or five times as numerous things would have been a lot different. This thought pertains not only to the present but should be projected into the future. What the Jews are doing in Palestine is not an accident; it is the result of a conscious effort. Jews went to Palestine to live there and to earn their living there. Their presence in Palestine has not been the result of the free play of economic forces; it has been the result of governmental decisions that the Jews should go to Palestine.

The economic absorptive capacity of Palestine is not finite; it is the human element which is of importance. The important question is whether the Jews need Palestine, not what the capacity of Palestine might be. Although there may be a limit eventually as to the number of Jews that Palestine may absorb, this limit is very far from being approached. What has been done in Palestine to date is merely of an experimental character. For example, there have been experiments in irrigation; however, these experiments have been only of a local character. Recently these experiments have begun to pass, in a few instances, from the local to the regional. However, no attempt has been made as yet to make irrigation projects country-wide. There are great undeveloped water resources in Palestine which need to be harnessed. If the great water power and irrigation projects which have been developed in the United States could have been accomplished, certainly it would be possible to develop similar projects on a much smaller scale in a little country like Palestine. Then there is the industrial development of Palestine. There has been a substantial industrial output, but this, so far, has been primarily for consumption within the country. There are, however, excellent prospects for exporting Palestinian-made goods to neighboring countries. Before the war these neighboring countries imported approximately £200,000,000 worth of goods from nations now our enemies. Probably after the war these enemy countries will not be in a position to resume manufacturing for export immediately. Presumably the United States and the United Kingdom will participate in this trade, but Palestine desires its share as well. There is no reason why Palestine cannot develop a sizeable industry. Technological developments are tending to make areas less dependent upon local raw materials. For example, there are now European diamond cutters in Palestine. There is no reason why diamonds should travel all the way from South Africa to Europe for cutting when there are expert diamond cutters today to work in Palestine. There are in the country as well other skilled artisans, such as watchmakers, radio crystal makers and pharmaceutical men.

Mr. Shertok continued by saying that the Jews of Palestine are very well aware that they are confronted with a very serious political difficulty. If Palestine were an empty country, this difficulty would not exist, and the world probably would be content to let Jews settle in Palestine. However, the democratic world entertains doubts as to the expediency of letting Jews settle in Palestine in large numbers because of the presence there of Arabs who do not welcome this development. This political difficulty raises two questions: 1) A question of justice; 2) a question of practicability. The first question, the question of justice, presents a dilemma with the alternatives of being

unjust either to the Jews or to the Arabs. There is less injustice to the Arabs involved in awarding Palestine to the Jews than there would be injustice to the Jews in not allowing them to have Palestine. This viewpoint is supported as follows: The Arabs are an undeveloped people. There is plenty of opportunity for them in a developed Palestine which would create employment. Their fears are not justified. If the Italians had invaded Palestine they would have moved all Palestinian Arabs into Syria. Turkey is territorially ambitious too. Iraq went to war principally because it feared that Turkey would demand rectification of the Turko-Iraqi border at the Peace Conference. The Jews in Palestine could help Iraq to develop in order that Iraq would not remain an empty shell. Palestinian Jews could be of assistance to Arabs and to neighboring countries by creating markets and by providing employment. Even now, Iraqis come to Palestine in order to gain scientific knowledge.

Palestine is an Arab country no longer. All Jews feel that the establishment of a large Jewish community in Palestine is essential for the preservation of the race. This is the attitude not only of the Jews of Palestine but of the Jews of all the world. It is necessary, therefore, to bring in as many Jews as possible into Palestine in as short a space of time as possible. The Arabs thus far, according to Mr. Shertok, have accepted the Jews already in Palestine but have objected only to proposals to settle more Jews in the country.

Mr. Murray remarked at this point that this statement did not appear to be quite accurate because each Arab revolt in Palestine may be attributed to an influx of Jews who had actually arrived.

Mr. Shertok admitted that bringing in more Jews would mean a very difficult period indeed. For this reason he contended it is necessary to get over this difficult period as soon as possible by bringing into Palestine large numbers of Jews as quickly as possible.

Mr. Shertok then discussed the possible relationship to each other of Arab countries adjacent to Palestine. Would it be by union, a federation, by treaties, or by what means? This question Mr. Shertok could not undertake to answer. Personally he does not sympathize with the federation idea because that would depend upon the attitude of neighboring countries. With respect to the Jews, the idea of federation does not involve federation with the Jews already in Palestine; the object is to bring more Jews into Palestine.

Mr. Shertok then proceeded to a discussion of King Ibn Saud of Saudi Arabia. He stated that he regards Ibn Saud as the most important Arab alive. However, Ibn Saud does not regard himself as a candidate for an imperial Arab throne. Mr. Shertok stated that he does not consider an Arab empire to be a practical possibility or that Ibn Saud is the man to rule it.

At this point Mr. Alling stated that probably Ibn Saud does not want to rule an Arab empire. Mr. Shertok agreed, adding that Ibn Saud prefers merely to be a man of influence in the Arab world. He might serve as the head of a Pan-Arab union, but he would not make a ruler of an Arab empire.

Mr. Shertok then referred to a suggestion made upon a previous occasion by Dr. Weizmann that a Jewish delegation confer with Ibn Saud in an effort to effect a settlement of Jewish-Arab problems. Mr. Shertok stated that he could not conceive of Ibn Saud's even receiving a Jewish delegation. Such an event would be explosive in character. The entire Arab world would wonder what was taking place. Arabs would come to him from all directions to warn him to desist. However, Mr. Shertok observed that a British or American representative could discuss matters with Ibn Saud without having such conversations advertised or known to others. If the Jewish-Arab question were discussed with him in this manner, Ibn Saud's reaction would be negative, but doubtless his interviewer could interpret the degree of his negative reaction from his manner.

Mr. Murray recalled that, after the Palestine revolt of 1936,²⁵ a great many people endeavored to persuade Ibn Saud to express his views, but Ibn Saud had said nothing. Then later came Ibn Saud's letter to the President in 1938²⁶ in which he took an out-and-out position after a period of two years of silence. Mr. Murray said he wondered why pressure brought upon Ibn Saud previously had proved to be unsuccessful but concluded that Ibn Saud's letter was in anticipation of the Round Table Conference in London.

Mr. Shertok stated that an Arab federation is an unlikely development because Egypt would not join. However, he added, Egypt might participate in an Arab union if Egypt could be the head of such a union. He expressed agreement with Mr. Murray that Ibn Saud is a man of the desert rather than a potential leader of an Arab empire.

Mr. Weizmann remarked that he would like to say a word about Ibn Saud's letter to the President. He said that he thought that Ibn Saud wrote this letter because "no Arab could afford to speak less loudly than the other" at that time regarding the establishment of a Jewish national home. Dr. Weizmann expressed agreement with Mr. Shertok that it would be premature for him to go to see Ibn Saud.

Returning to the subject of the status of Palestine Dr. Weizmann declared that we should "grasp the nettle". It will be easier, he declared, if the United Nations set up a Jewish Palestine now than it would be if the process were dragged out indefinitely. In this connection he referred to the cession of Alexandretta from Syria to

²⁵ For correspondence relating to this subject, see *Foreign Relations*, 1936, vol. III, pp. 434-459, *passim*.

²⁶ Dated November 29, 1938, *ibid.*, 1938, vol. II, p. 994.

Turkey²⁷ stating that this created no great furor. He continued by saying that what the Jews have achieved in Palestine has been done in spite of British administration.

Dr. Weizmann declared "I affirm again before you that Palestine will never again be an Arab country." The United States has a moral responsibility with regard to Palestine which it cannot disclaim. The Jews have taken American official attitudes seriously and have spent money on Palestine on this basis. He said, "We will not let you disclaim this responsibility. The Jews will bring moral pressure to bear in order to create a Jewish Palestine." He continued, "As long as the Middle East will be an empty country it will always be coveted. It should be worked and populated."

At this point Mr. Murray observed that the people who have to deal with the Palestine question are faced with practical problems. For example, American diplomatic representatives abroad recently have received a number of protests from various Near Eastern governments with regard to the increasing Jewish influence in Palestine. Invariably, periods of pressure of this kind from Arab governments follow statements made in the United States such as those made recently with regard to the formation of a Jewish army. Irrespective of whether such statements may be right or wrong, they do serve to arouse Arab peoples and to occasion protests. The Axis propaganda machine, of course, uses these statements to its own advantage in attempting to foment discontent and antipathy to the United Nations' cause among the Arab people. As a result, of course, the military situation is affected, in as much as it is essential to have the goodwill and friendship of the populations of Near Eastern countries where United Nations' troops are stationed. Mr. Murray inquired what the callers thought of this aspect of the situation.

Mr. Shertok replied that Zionist leaders are dealing with democracies, which depend upon public opinion to support national policies. There are many questions being raised at this time regarding the predicament of the Jews in Europe. If anything is to be done about this situation, the question must be presented before the forum of public opinion.

Mr. Murray then inquired if questions are not being raised inopportunely by the issuance of public statements. Dr. Weizmann replied that, in order to raise money, it is necessary to make speeches as a means of securing the support of public opinion. Naturally the Axis hears about some of these things but unfortunately that cannot be helped.

²⁷ For correspondence regarding this subject, see *Foreign Relations*, 1938, vol. II, pp. 1031-1043, *passim*.

Mr. Murray asked whether American Jews feel strongly on the subject of Zionism. There are, he said, many American Jews who are not pro-Zionist. Dr. Weizmann replied that probably over 90 percent of Jews in the United States would like to see Palestine rebuilt by the Jews and are incensed by the White Paper policy. Those who disagree with this majority are a powerful but small minority. This minority which is opposed to a Jewish state is afraid of jeopardizing its own position in the United States. Mr. Murray remarked that that is the very point involved—that there are many Jews in this country who regard themselves as thoroughly American and who do not wish to have their status threatened in any way. Dr. Weizmann then said that the war may end at any time and that the Palestine question is coming to a head. If it were possible to hold a plebiscite in the United States 90 percent of American Jews would favor the establishment of a Jewish state. Mr. Lipsky remarked at this point that dissenters among American Jews are agreeable to immigration into Palestine but balk only at the use of the term “state” with respect to Palestine. Mr. Murray observed that this attitude toward immigration may be attributed largely to sympathy for the predicament of Jews in Europe. Mr. Weizmann then stated that when a man is frightened he is not logical; that it is foolish for American Jews to be afraid that the United States would consider ejecting American Jews and sending them off to Palestine.

At this point the discussion ended and Dr. Weizmann and his associates arose to take their departure. As they were leaving, Mr. Alling asked Mr. Shertok how long he expected to remain in this country. Mr. Shertok replied that he expected “to remain here for the kill”.

867N.01/1849

*Memorandum by Mr. William L. Parker of the Division of Near Eastern Affairs*²⁸

[WASHINGTON,] March 16, 1943.

PALESTINE QUESTION

The question of Palestine has been causing the Department increasing concern because of growing resentment toward Zionism on the part of the Arab populations in strategically located Near Eastern countries and in North Africa where American and British troops are stationed. In as much as this growing resentment may be at-

²⁸ This document was prepared for consultations with the British on the occasion of the visit by British Foreign Secretary Anthony Eden to Washington, March 12-30; for correspondence relating to the Eden visit, see vol. III, pp. 1 ff.

tributed in large measure to agitation on the part of Zionist organizations and sympathizers, it is believed that consideration should be given to means of placing Zionist activities upon a more realistic basis.

Near Eastern countries, particularly Iran and Iraq, now serve as supply routes for the shipment of vitally needed war materials for Russia. The predominately Arab-populated countries of French North Africa and Egypt, of course, are being used by United Nations troops as bases for military operations. In order to safeguard vital supply lines and to protect United Nations troops it is necessary to maintain the friendship of the peoples of the Near East and North Africa.

This friendship, however, is being undermined by a growing belief among the Arab peoples, fostered by the Axis propaganda machine, that a United Nations victory would entail "turning Palestine over to the Jews" to the detriment of Arab interests and aspirations. It is becoming increasingly apparent, therefore, that steps should be taken to allay Arab fears on that score.

In approaching this problem, it is suggested that Mr. Eden be asked whether the British Government has considered the issuance of a statement which would go beyond Mr. Eden's own statement of May 31, 1941,²⁹ to the effect that the British Government would view with favor any plan for an Arab federation upon which the Arab peoples themselves could agree. Such a statement might be issued by the British Government itself or by it jointly with this Government. A statement of this kind would refer specifically to Palestine and would be based squarely on principles enunciated in the Atlantic Charter.³⁰

[In a meeting on March 29 with Mr. William Strang, British Deputy Under Secretary of State for Foreign Affairs, who accompanied Mr. Eden to Washington, the Adviser on Political Relations (Murray) asked Mr. Strang "whether the British Government had considered the issuance of a statement, either by itself or jointly with the American Government, for the purpose of putting an end to the current agitation for a Jewish state in Palestine. Mr. Murray pointed out that the agitation referred to was having dangerous repercussions in the Arab

²⁹ Apparently a reference to Mr. Eden's speech, May 29, 1941, on British war aims. Referring to Arab aspirations for unity, he said, "It seems to me both natural and right that the cultural and economic ties between the Arab countries and the political ties too, should be strengthened. H. M. Government will give their full support to any scheme that commends general approval. . . ." See British Cmd. 6289, Miscellaneous No. 2 (1941): *Speech by the Rt. Hon. Anthony Eden . . . delivered at the Mansion House on May 29, 1941*. For correspondence regarding the interest of the United States in the Eden statement, see *Foreign Relations*, 1941, vol. III, pp. 612-620, *passim*, and p. 721.

³⁰ Joint statement by President Roosevelt and Prime Minister Churchill, August 14, 1941; for text, see *ibid.*, vol. I, p. 367.

world and that the declaration, which would be based squarely on the principles of the Atlantic Charter, might go beyond Mr. Eden's statement of May 31 [29th], 1941, by referring specifically to Palestine. Mr. Strang said that he was not familiar with the question of Palestine and could only make a note of Mr. Murray's suggestion, for reference to his Government." (711.90/69)]

867N.00/628

Memorandum of Conversation, by the Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] March 30, 1943.

The Egyptian Minister called today and handed me the attached copy of a note and memorandum,³¹ the original of which he proposed subsequently to hand to Mr. Welles. The Minister observed that I would notice that it was again a question of Palestine and the possible entry of a large number of Jews there from the Balkan area. The Minister said he hoped that we would not gain the impression that his country or his people were anti-Jewish. The fact was, however, that the immigration of large numbers of Jews into Palestine created resentment among the Arabs of that country and brought about an unstable situation which had repercussions in his own country. He added that as I knew Jews and Christians, as well as Moslems, had for generations held high offices in Egypt. In this connection he pointed out that one of the Ladies in Waiting to the Egyptian Queen was a Jewess, namely, Madame Cattau.

The Minister went on to say that in his own view after the war had been won by the United Nations and democracy and fair play re-established in Europe, very few Jews would want to leave Europe for Palestine. As a matter of fact, he was inclined to believe that the movement would be in the other direction—that is, from Palestine to Europe. I said that I was inclined to agree with him and that in this general connection, we had just had word of the formation in Tel-Aviv of a group of Austrian Jews who were already making their plans to return to Vienna. I said to the Minister that it seemed to me that the Jews were afforded a much better chance and livelihood through the development of decent institutions in Europe than they would have through a precarious situation in Palestine.

The Minister remarked that he had not received any acknowledgment of the note which he had left with the Secretary of State on February 2. I told the Minister that we thought the Secretary's oral comments were a sufficient acknowledgment but that if he desired a

³¹ Note not printed.

written acknowledgment, we should be glad to prepare one. The Minister said that one acknowledgment covering the note of February 2 and the note of today would be adequate.

[Annex]

The Egyptian Legation to the Department of State

MEMORANDUM

The persecution of the Jews by the Axis Powers having been just marked by a recrudescence of arrests and executions in Germany and its satellites, it seems that the governments of Great Britain and the United States of America, accordingly, decided to conjointly take such steps as may remedy the situation, and ask neutral nations to facilitate the migration of thousands of these Jews from Europe.

Whilst sympathising with this humanitarian action, Egypt, having always taken interest in a fair and equitable settlement of the Palestinian question, wishes to emphasise once again and call for the maintenance of the *status quo* in Palestine, recommending that the proposed fresh migration of Jews be diverted to lands other than Palestine, better equipped with natural resources and possibilities of production. Besides, it would be contrary to high moral principles, when trying to alleviate the sufferings of the Jews, indigenous inhabitants of Palestine would suffer as a consequence of such process.

Moreover, Palestine is already overpopulated, and a fresh influx of *émigrés* cannot but tend to accentuate even further an already acute food problem, her possibility for the absorption of fresh arrivals having already surpassed her capacity for such. In fact, the bitter experiences of the immediate past tend to show the un wisdom and perils of a continuation of Jewish immigration into Palestine.

For under whatever guise or pretext such immigration is tolerated and countenanced, such activities cannot but prove detrimental to the Arabs, who have repeatedly and justly complained of the Zionist activities.

At the moment that the United Nations proclaim the necessity of the Arab peoples to unite in evolving and contributing to a new order of civilisation, it would be most unfortunate, indeed, to lose sight of the fact of Palestine seeking to have the question of her independence transcend all other issues.

Moreover, all fresh immigration into this land cannot but give rise to troubles and difficulties at a period when the maintenance of peace and tranquility in this part of the world is most essential and indispensable.

WASHINGTON, March 29, 1943.

867N.00/628

*Memorandum of Conversation, by the Under Secretary of State
(Welles)*

[WASHINGTON,] March 30, 1943.

The Egyptian Minister called to see me this morning at his request. He left with me the note attached herewith.³² The Minister talked at some length along the lines of the communication he was instructed to make. He added the bright thought that a good thing for the United Nations now to do with regard to the Jewish refugees who might be brought out from Europe would be to send a batch of them to each of the United Nations, the number in each batch to be in proportion to the total population of the country to which the group was sent.

I told the Minister that I believed that after the war was won and the principles for which we were fighting in Europe had been established, the overwhelming majority of Jewish refugees would wish to return to their countries of origin, and in that way the grave problem which we had been discussing would in great part be solved. I said it was true in my judgment that a small number, for one reason or another, would wish to seek new homes in other lands, but that I had no reason to believe that the majority of even this small group would desire to proceed to Palestine. I said furthermore that it was the hope of this Government that a solution of the question of Palestine after the war would be brought about through the negotiation of a friendly agreement on the part of the peoples directly concerned.

I said, however, that the immediate problem before us was the appalling situation resulting from the apparent willingness of the Bulgarian Government to give in to German pressure by deporting to Poland the Jews of Bulgaria, and that the immediate question, therefore, was to try to find the way in which this atrocity could be prevented. I said it was not the thought of either the British or United States Governments that these refugees, if they could be extricated, be sent to Palestine. I said that the lack of shipping facilities alone would make such a movement very difficult of accomplishment. I explained to the Minister in general terms the hope we had expressed to the Turkish Government that we might obtain the assistance of the Turkish Government in solving this problem for the duration of the war, with the guarantee that any Jews that were admitted into Turkey would be repatriated at the end of the war.

The Minister seemed to be quite satisfied with the statement I made to him and decidedly apologetic for having had to carry out the instructions communicated to him by his Government.

S[UMNER] W[ELLES]

³² Note not printed; for memorandum attached to the note, see *supra*.

867N.00/630a : Telegram

*The Secretary of State to the Consul General at Jerusalem
(Pinkerton)*

WASHINGTON, April 10, 1943—10 p. m.

105. A Jewish Telegraphic Agency report states that, in an address before a Jewish sport organization on April 4th, Ben-Gurion³³ advocated the use of "Jewish might" and "physical power" to defend the Jewish position in Palestine. Please seek the views of the High Commissioner and other British officials regarding the significance and effect of Ben-Gurion's address and endeavor to ascertain whether this address is symptomatic of a developing attitude on the part of the Jewish community which may affect the general situation in Palestine.

In connection with the general situation not only in Palestine but throughout the Near East the Department is concerned over the statement in your despatch no. 672 of March 15th³⁴ that there is among the Arabs in Palestine "a smouldering resentment of the reported American pro-Jewish attitude". As you know there are American troops stationed in North Africa and in various countries in the Near Eastern area, where vital military supply lines are located. The Axis propaganda machine unceasingly proclaims to the Arab peoples that American policies and attitudes are inimical to their interests in an effort to arouse hostility toward Americans on the part of the populations of North Africa and the Near East as a means of hindering military operations. Developments in the Near East and attitudes of the peoples of that area, therefore, have a vital bearing upon the security of American troops and supply lines. For this reason you should keep the Department currently and fully informed by telegraph of all developments in Palestine affecting or likely to affect this situation.

HULL

890F.00/81 : Telegram

*The Minister in Egypt (Kirk)*³⁵ to the Secretary of State

CAIRO, April 17, 1943—10 a. m.

[Received 9:40 p. m.]

723. For the Secretary and Under Secretary. The greater part of my conversation with Ibn Saud and his advisors during my visit at his desert camp midway between Ryadh and Dhahran was confined to

³³ David Ben-Gurion, Chairman of the Executive of the Jewish Agency at Jerusalem. (See also footnote 5, p. 748.)

³⁴ Not printed.

³⁵ At this time Minister Kirk was also accredited to Saudi Arabia.

supply and Lend-Lease matters³⁶ and to an exchange of cordialities which this time were especially marked on the part of the Saudi Arabians. On the day of my departure, however, the King sent for me and in a private audience said there was a matter which he desired to discuss with me personally and in strictest confidence and which he would request that I bring to attention of President. He referred, he said, to the Arab question and particularly to certain aspects thereof in respect of Palestine and Syria.

Turning first to Palestine he said situation there was of more concern to him than to any other Arab leader because Jews had been hostile to Arabs from time of Prophet Mohammed to present and he, Ibn Saud, as the leading Arab and Moslem, therefore, had a special interest in developments in Palestine where, because of vast wealth at their disposal and their influence in Britain and the United States Jews were steadily encroaching on Arabs. If this trend was allowed to continue it could only be expected that Jewish-Arab conflict would become more acute, which would be deplorable from Arab standpoint and would also cut across Allied war effort.

Recently he had heard of representations in respect of Palestine made to American Government by Egyptians and certain Arabs had urged him to do likewise, but he had hitherto refused for following two reasons:

1. He had made his views on subject known to President on a previous occasion and had received President's reply.³⁷
2. He did not want to do anything at present time which would cause difficulty to United States at a time when it needed to devote its undivided attention to prosecution of war. Thus should he write the President and receive a reply favorable to Arabs, Jewish antagonisms would develop and, should reply be favorable to Jews or no reply at all made, Arabs' dissatisfaction would be aroused. Were it not for these considerations arising out [of] war he would feel obligated to act, but under existing circumstances his sympathy for the United Nations' cause and his friendship for the United States had led him to conclude that it would be preferable to remain silent.

Although Palestine received the chief emphasis the King also referred to question of Syria and said Syrians were his friends and independence of country was of great personal concern to him. He had noted in this connection the announced intention of the Allies to give Syria complete independence and he felt he must believe in their sense of justice and fidelity to their given word. In this case, like

³⁶ For correspondence regarding Lend-Lease assistance to Saudi Arabia, see pp. 854 ff.

³⁷ For King Ibn Saud's letter of November 29, 1938, see *Foreign Relations*, 1938, vol. II, p. 994; for President Roosevelt's reply of about January 9, 1939, see *ibid.*, 1939, vol. IV, p. 696.

that of Palestine, he had desired, therefore, to maintain silence in order to avoid causing embarrassment to Allies.

In adopting this policy of silence, however, he said that it was obvious that he, as the leading Arab and Moslem, would be placed in a difficult position if the American Government should respond favorably to the overtures of others since it might be made to appear that his silence had been motivated by lack of interest on his part, whereas the contrary was the case. He, therefore, wished to be advised whether President concurred in his views regarding the maintenance of silence for the time being. Should such not be the case, he had certain plans for action clearly in mind. On the other hand, should President agree, he would appreciate being so advised and at same time receiving an assurance that he would be informed in advance of any affirmative steps which American Government might contemplate taking in response to overtures by other Arab persons or agencies in order that he might consider possible adjustments in his policy. Since his own decision in matter had been taken in deference to our vital interests he hoped he could count on our being equally understanding of his position.

Turning from specific question of Syria and Palestine, King said he had heard indirectly of recent proposal to call Arab conference but that he had not been approached by sponsors of idea who had apparently been guided by knowledge of his policy of not desiring to do anything to make trouble for Allies. Whether he was or was not invited in this particular instance was a matter of relative indifference to him because he knew full well that no bona fide Arab conference could achieve any important results without his participation. He was, however, concerned by the fact that much of this present Pan Arab agitation emanated from Iraq and had as its ultimate purpose the extension of Hashemite³⁸ power. Ibn Saud emphasized that he had no personal territorial ambitions outside his own country but merely wished to see Syria and Palestine attain individual independence and take their place alongside Saudi Arabia and Iraq in a balanced comity of Arab states; in other words Syria for the Syrians, Palestine for the Palestinians, et cetera. There was, however, strong indication (mentioning Nuri, Abdullah [*Abdul Ilah?*] and Abdullah by name)³⁹ that an effort was being made to use Pan Arabism as

³⁸ The family of Hussein, Sherif of Mecca and guardian of the Moslem holy places in the Hejaz, who, in alliance with the British, led the Arab Revolt during World War I which resulted in the detachment of the Arab lands of the Ottoman Empire from Turkish sovereignty. Although Hussein's claim to be "King of the Arabs" was never recognized by Great Britain and France, and the kingdoms of "Syria" and the Hejaz were lost to the family by 1920 and 1925, respectively, Hashemite dynasties were successfully established by sons of Hussein in Iraq and Transjordan.

³⁹ Perhaps Nuri as-Said, Prime Minister of Iraq; Amir Abdul Ilah, Regent of Iraq; and Abdullah, Amir of Transjordan.

a means for formation of Iraq, Palestine and Syria into a Hashemite bloc. Such a development he could only view with gravest apprehension in view of traditional hostility of Hashemites to House of Saud and King trusted Allies would not countenance materialization of such a serious threat to Saudi Arabia.

In conclusion King stressed confidential nature of his observations and asked that they be revealed to no one not even the British although latter were cognizant of his general views. He also requested that any reply of President to question regarding his present policy of silence in respect of Palestine and Syria should be transmitted only to Prince Faisal⁴⁰ or Shaikh Youssef Yassine.⁴¹ King referred on several occasions in course of his remarks to friendly private and official relations which had so happily developed between Saudi Arabia and United States and suggested that American interests in Saudi Arabia were such as to justify its occupying a special place in the formulation of American policy in Near East.

In transmitting this message from Ibn Saud for the President, it is difficult if not impossible without incurring the criticisms of hyperbole or even emotionalisms, adequately to reflect the sincerity of the King and his profound conviction in the virtue of his own judgment. He is simple, honest and decisive and these qualities transcend the limited formula of his special experience. He believes that we are his friends and to him friendship bespeaks complete confidence. Compromise is inadmissible. He truly feels that his problems are ours and ours are his and in giving this message for the President, he confirmed throughout an absolute faith in the justice of the democracies and a conviction that the order which is to follow their victory will justify that faith.

KIRK

867N.00/630 : Telegram

The Consul General at Jerusalem (Pinkerton) to the Secretary of State

JERUSALEM, April 17, 1943—7 p. m.

[Received 10 p. m.]

102. In the absence of High Commissioner in Iran I have consulted Chief Secretary who is acting and have discussed situation generally with him and other officials of the Secretariat. Following information and expression of opinion arises from discussion with Palestine

⁴⁰ Amir Faisal, eldest son of the King, was Foreign Minister.

⁴¹ Amir Faisal's representative at Jidda, seat of the diplomatic missions accredited to Saudi Arabia.

officials. It is assumed Department's telegram⁴² refers to speech made by Ben-Gurion before Maccabee organization on April 1. On this as on numerous occasions recently Ben-Gurion and other extremist Zionist leaders have made speeches visualizing use of force if necessary for the attainment of Jewish nationalist aims in connection with the post war settlement. Majority of Jews of Palestine share these aims. How many agree with use of force to achieve them is uncertain but Chief of CID⁴³ estimates forty percent of population will follow into violence if necessary. Community has been influenced into acceptance of extremist policy and more moderate portion of community although generally perturbed are ineffectual in opposition to advocates of extremist backed by organizations said to be controlled by Jewish Agency.

British authorities have been aware for some time that secret caches of arms and ammunition were being built up in Jewish settlements ostensibly with sole object of defence against Arab attack. Action to prevent this has been hampered by British desire to avoid major clashes with sections of Jewish community which they say could only have led to a showdown with Jewish Agency with consequent undesirable repercussions on war effort. I have been informed in strict confidence by Secretariat that of late thefts by Jews of military arms and explosives have reached alarming proportions and recent hauls have included two consignments of some 300 rifles each, more than 20 machine guns and over three tons of gelnite and other explosives. Evidence points to organized arms racket involving Jewish units of the British Army employed on guard duties. Investigations are still proceeding. Secretariat states that extent of arms thefts and reports regarding nature of illegal military training now being conducted in Jewish settlements indicates that action contemplated is offensive as well as defensive, stress on offensive side having been intensified.

Neither side wishes to risk being blamed for embarrassing war efforts by starting violence now but officials say greater danger is at present from Jews who are well prepared. General opinion is that serious trouble need not be anticipated until near or at end of war. Both races however are excitable and feelings may quickly boil over. Each side would naturally be glad to see the other blamed for initiating disturbances.

It is generally agreed that eventual showdown is inevitable unless extremism on both sides can be checked. British efforts to soften both parties on basis of common interests have so far resulted only in Zionist opposition to local government which Ben-Gurion character-

⁴² Telegram No. 105, April 10, p. 768.

⁴³ Presumably the Criminal Investigation Department.

izes as White Paper government and in Arab accusations of appeasement of Jews.

PINKERTON

890F.00/89

*King Abdul Aziz Ibn Saud to President Roosevelt*⁴⁴

EXCELLENCY: In this great world war in which nations are shedding their blood and expending their wealth in the defence of freedom and liberty, in this war in which the high principles for which the Allies are fighting have been proclaimed in the Atlantic Charter, in this struggle in which the leaders of every country are appealing to their countrymen, allies and friends to stand with them in their struggle for life, I have been alarmed, as have other Moslems and Arabs, because a group of Zionists are seizing the opportunity of this terrible crisis to make extensive propaganda by which they seek on the one hand to mislead American public opinion and, on the other hand, to bring pressure upon the Allied Governments in these critical times in order to force them to go against the principles of right, justice and equity which they have proclaimed and for which they are fighting, the principles of the freedom and liberty of peoples. By so doing the Jews seek to compel the Allies to help them exterminate the peaceful Arabs settled in Palestine for thousands of years. They hope to evict this noble nation from its home and to install Jews from every horizon in this sacred Moslem Arab country. What a calamitous and infamous miscarriage of justice would, God forbid, result from this world struggle if the Allies should, at the end of their struggle, crown their victory by evicting the Arabs from their home in Palestine, substituting in their place vagrant Jews who have no ties with this country except an imaginary claim which, from the point of view of right and justice, has no grounds except what they invent through fraud and deceit. They avail themselves of the Allies' critical situation and of the fact that the American nation is unaware of the truth about the Arabs in general and the Palestine question in particular.

On November 19 [29], 1938 (Shawal 7, 1357 H.) I wrote to Your Excellency a letter⁴⁵ in which I set forth the true situation of the Arabs and Jews in Palestine. If Your Excellency would refer to that letter, you will find that the Jews have no right to Palestine and that their claim is an act of injustice unprecedented in the history of the human race. Palestine has from the earliest history belonged to the Arabs and is situated in the midst of Arab countries. The Jews only occupied it for a short period and the greater part of that period was full of massacres and tragedies. Subsequently they were

⁴⁴ Copy transmitted to the Department by the Minister in Egypt in his despatch No. 1034, May 11; received May 25.

⁴⁵ *Foreign Relations*, 1938, vol. II, p. 994.

driven out of the country and today it is proposed to re-install them in it. By so doing the Jews will do wrong to the quiet and peaceful Arabs. The Heavens will split, the earth will be rent asunder, and the mountains will tremble at what the Jews claim in Palestine, both materially and spiritually.

Having sent to Your Excellency my above-mentioned letter, I believed, and I still believe, that the Arab claim to Palestine had become clear to you, for in your kind letter to me dated January 9, 1939⁴⁶ you made no remark about any of the facts which I had mentioned in my previous letter. I would not have wasted Your Excellency's time over this case nor the time of the men at the head of your government at this critical moment but the persistent news that these Zionists do not refrain from bringing forth their wrong and unjust claim induces me to remind Your Excellency of the rights of Moslems and Arabs in the Holy Land so that you may prevent this act of injustice and that my explanation to Your Excellency may convince the Americans of the Arabs' rights in Palestine, and that Americans whom Jewish Zionism intends to mislead by propaganda may know the real facts, help the oppressed Arabs, and crown their present efforts by setting up right and justice in all parts of the world.

If we leave aside the religious animosity between Moslems and Jews which dates back to the time when Islam appeared and which is due to the treacherous behavior of the Jews towards Moslems and their Prophet, if we leave aside all this and consider the case of the Jews from a purely humanitarian point of view, we would find, as I mentioned in my previous letter, that Palestine, as every human creature who knows that country admits, cannot solve the Jewish problem. Supposing that the country were subjected to injustice in all its forms, that all the Arabs of Palestine, men, women and children, were killed and their lands wrested from them and given to the Jews, the Jewish problem would not be solved and no sufficient lands would be available for the Jews. Why, therefore, should such an act of injustice, which is unique in the history of the human race, be tolerated, seeing that it would not satisfy the would-be murderers, i.e., the Jews?

In my previous letter to Your Excellency I stated that if we consider this matter from a humanitarian point of view, we would find that the small country we call Palestine was crammed at the beginning of the present war with nearly 400,000 Jews. At the end of the last Great War they only constituted 7% of the whole population but this proportion rose before the beginning of the present war to 29% and is still rising. We do not know where it will stop, but we know that a little before the present war the Jews possessed 1,000,332

⁴⁶ *Foreign Relations*, 1939, vol. iv, p. 696.

donams out of 7,000,000 donams which is the sum total of all the cultivable land in Palestine.

We do not intend, nor demand, the destruction of the Jews but we demand that the Arabs should not be exterminated for the sake of the Jews. The world should not be too small to receive them. In fact, if each of the Allied countries would bear one tenth of what Palestine has borne, it would be possible to solve the Jewish problem and the problem of giving them a home to live in. All that we request at present is that you should help to stop the flow of migration by finding a place for the Jews to live in other than Palestine, and by preventing completely the sale of lands to them. Later on the Allies and Arabs can look into the matter of assuring the accommodation of those of the Jews residing in Palestine whom that country can support provided that they reside quietly and do not foment trouble between Arabs and the Allies.

In writing this to Your Excellency I am sure that you will respond to the appeal of a friend who feels that you appreciate friendship as you appreciate right, justice, and equity, and who is aware that the greatest hope of the American people is to come out of this world struggle, rejoicing in the triumph of the principles for which it is fighting, i.e., to ensure to every people its freedom and to grant it its rights. For if—God forbid!—the Jews were to be granted their desire, Palestine would forever remain a hotbed of troubles and disturbances as in the past. This will create difficulties for the Allies in general and for our friend Great Britain in particular. In view of their financial power and learning the Jews can stir up enmity between the Arabs and the Allies at any moment. They have been the cause of many troubles in the past.

All that we are now anxious for is that right and justice should prevail in the solution of the various problems which will come to light after the war and that the relations between the Arabs and the Allies should always be of the best and strongest.

In closing, I beg you to accept my most cordial greetings.

Written at Our Camp at Roda Khareem on this the 25th day of Rabi'Tani, of the year 1362 Hegira corresponding to April 30, 1943.

890F.00/84 : Telegram

The Chargé in Saudi Arabia (Shullaw) to the Secretary of State

JIDDA, May 3, 1943—7 p. m.

[Received May 4—7:13 a. m.]

40. My 38, April 27.⁴⁷ In a conversation today with the British Chargé Wikeley, I learned that Ibn Saud will send a letter to the

⁴⁷ Not printed.

President on the subject of Palestine. The letter presumably will be along the lines of November 1938 letter with an indication that the views advanced by His Majesty on that occasion continue valid today. Wikeley's information indicates that Ibn Saud's letter may or may not include a suggestion that further Jewish immigration to Palestine be forbidden. A ban is favored by Yusuf Yassin, who has further indicated to me in conversations that recent Jewish arrivals should after the war be removed to other countries. Yusuf Yassin is leaving tomorrow for Egypt and intends to visit Syria, in whose future he is much interested, and possibly Palestine before returning to Jidda. In matters affecting Syria and Palestine he probably has considerable influence with Ibn Saud.

Repeated to Cairo.

SHULLAW

121.891/7½

Brigadier General Patrick J. Hurley, Personal Representative of President Roosevelt,⁴⁸ to the President⁴⁹

CAIRO, May 5, 1943.

DEAR MR. PRESIDENT:

PART I

[Here follows section describing in general terms General Hurley's visit to French Morocco, Egypt, Palestine, Lebanon, Iraq, and Syria.]

PART II

Running through all the discussions in the Middle East, most definite emphasis is placed not on war and not on peace but on the issue of establishing or not establishing a Jewish Political State in Palestine.

It is unnecessary for me to discuss for you in this report the arguments based on Scripture, on history, on the Balfour Declaration, on the Palestine Mandate, on the Joint Resolution of the United States Congress,⁵⁰ on the British White Paper, or on the speeches of leading nationals pertaining to the Jewish National Home and a Jewish Political State in Palestine.

The debate on the issue of a Jewish Political State in Palestine in many quarters has become acrimonious. Among the Jews themselves there is a clear division of opinion on the question.

⁴⁸ President Roosevelt had designated General Hurley as his Personal Representative to act as observer and to report directly to him upon general conditions in Egypt, Syria and Lebanon, Iran, Iraq, Palestine, and Saudi Arabia.

⁴⁹ President Roosevelt on May 18 directed that a copy of this report be transmitted to the Department of State, with the request that the Department forward to him a recommendation regarding the message.

⁵⁰ June 30, 1922, *Congressional Record*, vol. 62, pt. 10, p. 9799.

For its part, the Zionist organization in Palestine has indicated its commitment to an enlarged program for (1) a sovereign Jewish State which would embrace Palestine and probably Transjordan, (2) an eventual transfer of the Arab population from Palestine to Iraq, and (3) Jewish leadership for the whole Middle East in the fields of economic development and control.

In Palestine itself there are considerable numbers of Jews who consider themselves primarily Europeans, and who would prefer to return to Europe if security of life can be assured there. There are others who would accept life in Palestine under advantageous conditions but who shrink from possible violence or the hard life of pioneers. Since the Zionist organization in Palestine exercises major control over the means of livelihood of the refugee Jews of that country, it is difficult to assess precisely the strength of actual or potential opposition to the organization program. Nevertheless it is clear that such opposition exists among the Palestine Jews themselves and that it will become more manifest when democratic regimes are reestablished in Europe.

Jewish communities in the Middle East, outside of Palestine, are long established and important, socially and economically. Leaders, and I believe a majority of members of these communities, view the Zionist program with a degree of distrust and alarm based on (1) fear that it may imply forced migration to Palestine, (2) fear that any attempt to implement the program would lead to persecution, and (3) religious differences among the Jews themselves.

Among the Arabs, there is little or no anti-Jewish sentiment as we ordinarily use the term; nor is there serious opposition to the concept of a Jewish National Home. There are racial relationships between the Arab and the Jew. Notwithstanding these factors, there is deep-seated Arab hostility to any immigration program intended to create a Jewish majority in Palestine and to the establishment of a Jewish sovereign state.

There is hostility also toward the Jewish claim that they are the "chosen people" and hence entitled, even though they are a minority, to special privileges. One leading Arab spokesman described this "chosen people" concept as kindred to Nazi doctrine.

The basic fear of the Arab leaders seems to be that a Jewish Political State in the Middle East, due to the influence of world Jewry on the great powers, would become the means by which imperialism would continue to dominate the Middle East. Such a condition would, of course, obstruct the establishment of really independent Arab political states in an Arab union.

Nuri Pasha es-Said, Prime Minister of Iraq and one of the long-time proponents of Arab Federation, has suggested a compromise

solution. This solution is sufficiently close to that set forth in the British White Paper of 1939 as to entitle it to the sympathetic consideration of the British Government. The Nuri proposals differ from the White Paper principally in that they would expedite the assumption of independence by Palestine; they would not recognize a continued British special interest in Palestine based on strategic considerations; and they would establish an Arab Federation embracing Palestine, Transjordan, the Lebanon, Syria, Iraq and such other Arab states as might desire adherence. The Jewish population in Palestine, with immigration limited by law so as to prevent such immigration from creating a Jewish majority, thus assuring an Arab majority, would have autonomous rights within the districts in which they constituted majorities. The Lebanese Christian community would have the same rights. These rights are to be protected by international guarantees.

Some such solution very probably would meet with acceptance by a majority of Moslem Arab leaders, of the leaders of Jewish communities in the Middle East outside of Palestine, and of significant numbers of the Jews within Palestine.

Throughout the Arab nations I found a well defined opinion prevailing that the United States, and not Great Britain, is insisting on establishing a sovereign Jewish State in Palestine.

Mr. Ben-Gurion, the Zionist leader in Palestine, discussed at length and with unusual eloquence the Jewish claim to political control of Palestine. Throughout his argument, Mr. Ben-Gurion assumed and asserted that the Government of the United States is committed and obligated, repeat obligated, to establish a Jewish Political State in Palestine.

This alleged obligation was said to derive from: (1) Scriptural promises and historical logic, (2) the investment in Palestine of Jewish American capital in reliance on the protection of the U.S. Government, (3) support accorded by the U.S. Government to the establishment of the Palestinian Mandate, and (4) support of the Zionist program implied in the Joint Resolution of Congress of 1922.

These Zionist arguments, intended to prove that the United States is obligated to establish a Jewish Political State in Palestine, do have an appeal and do encourage acceptance but they are in fact incorrect. It seemed wise, therefore, to point out to Mr. Ben-Gurion that none of the evidence offered revealed any obligation of the U.S. Government or the American people to support the present Zionist demand for creation of a Jewish majority and establishment of a Jewish Political State in Palestine. The documents involved in (3) and (4) were produced and it was shown clearly that the U.S. Government merely consented to the British Mandate for Palestine and, in the

joint Resolution, favored only the establishment of a National Home for the Jews insofar as such a home would not trespass on the rights of Christian and other non-Jewish community in Palestine.

Speakers opposing the Zionist position emphasized to me that the handing over of the Government of Palestine to the Jewish minority would violate the fundamental principles of Americanism, the Atlantic Charter and the four freedoms.⁵¹ They pointed out further that if it is admitted that a minority has a perpetual right to restitution of territory taken from it by conquest, the enforcement of that principle would destroy the British Empire and would require the United States to make restitution to Mexico of much of our West and Southwest.

Auni Bey Abdul Hadi, leader of the Arab Moslem majority in Palestine, presented to me the argument in opposition to the establishment of a Jewish State there. He asserted that Washington appears to be lending its strength to this plan of minority rule for the people of Palestine, and to be supporting a program of Jewish migration to Palestine sufficient in extent to give the Jews an eventual majority over the Arabs. He considers such policy unjust and certain to provoke hostilities against the Jews not only in Palestine but in all other Arab nations.

I asked Auni Bey the basis for his assertion. He replied first that he was informed that the Jewish minority in the United States and in fact in many other nations controls the most powerful means of propaganda; that the Zionist organization has forced Washington to oppose the Balfour concept of a Jewish National Home and that Washington in turn has forced the British Government to acquiesce in the establishment of a Jewish Political State in Palestine.

I suggested to Auni Bey that he was still speaking in generalities and asked him if he could state specifically the source of his information. He replied that Sir Ronald Storrs, former High Commissioner to Palestine, who recently revisited Palestine and other Arab States, had told him personally that His Britannic Majesty's Government is opposed to the establishment of a Jewish Political State in Palestine and still adheres to the Balfour Declaration and British White Paper policy for establishing a Jewish National Home in Palestine but that Washington is forcing British acquiescence in the establishment of a Jewish Political State. He said that many other British spokesmen had expressed the same opinion.

The widespread circulation of this opinion was revealed to me, but not at other times attributed to Sir Ronald Storrs, during conversa-

⁵¹ The Four Freedoms were enunciated by President Roosevelt in his State of the Union Message, January 6, 1941, *Congressional Record*, vol. 87, pt. 1, p. 44.

tions in Damascus, in Beirut, in Baghdad and in Tehran—with Moslems, Christians, Arab leaders, American missionaries, and others.

This line of propaganda is distinctly helpful to British prestige with the Arabs. I am convinced, however, that the British officials and leaders with whom I have conferred in the Middle East are definitely opposed to the establishment of a Jewish Political State in Palestine and are in favor of a settlement of the issue on the basis of the British White Paper.

There is another predominating rumor, which is so widely circulated and believed that it has assumed some of the definite attributes of a fact. It purports to be a quotation from a private conversation with Winston Churchill in Cairo, in which the Prime Minister allegedly said, "I am committed to the establishment of a Jewish State in Palestine and the President will accept nothing less." If this statement was made, the Prime Minister unquestionably shares full responsibility with you for whatever decision is reached.

Without attempting to assess responsibility for the Arab-Jewish problem, even while recognizing that the Middle East has been and is a zone of British influence, I believe the British are no longer able by themselves to settle this and kindred problems in the Middle East. Specifically it is my opinion that the British and the Americans must come together and share equally in the final decision for or against the establishment of a Jewish Political State and must share also the responsibility for the consequences of such a decision.

I am, sir, yours respectfully,

PATRICK HURLEY

867N.00/632

The Chargé in Saudi Arabia (Shullaw) to the Secretary of State

No. 108

JIDDA, May 6, 1943.

[Received June 1.]

SIR: I have the honor to refer to the Department's strictly confidential instruction no. 36 dated March 20, 1943⁵² with which was transmitted a memorandum of a conversation⁵³ relating to Palestine between Dr. Chaim Weizmann and certain of his associates and officers of the Department.

In the past there have been three great bases for Ibn Saud's policies: firstly, his religion; secondly, his Arabism; and thirdly, his friendship with the British Government. Of the three the first has always been dominant and in the event of any conflict with the third factor of friendship with the British Government, the religious motif would undoubtedly prevail. Aside from the religious convic-

⁵² Not printed.

⁵³ March 3, p. 757.

tions of Ibn Saud which would prevent him from ever agreeing to Palestine becoming a Jewish state, practical considerations of his position in his own country would bar acceptance of any such plan. In the larger sphere of the Arab world any indication that he was willing to consider a scheme which would place an Arab state under Jewish control would be sufficient to seriously weaken or destroy his prestige. This Ibn Saud fully realizes and quite apart from considerations of his own prestige he undoubtedly feels most sincerely his responsibilities to the Arab world as an Arab leader.

There is little likelihood that Ibn Saud under any circumstances would receive a Jewish delegation such as that mentioned in the memorandum under reference. His reaction could conceivably vary from a flat refusal to a suggestion that anything which Jewish leaders might wish to tell him should be transmitted through regular diplomatic channels. In no case could it be expected that the King's position would be altered by any communications addressed to him by the Zionists. His stand was taken in the letter of November 1938 addressed to President Roosevelt⁵⁴ and as reported in my telegram no. 40 dated May 3, 7 p. m., this exposition of Ibn Saud's views will shortly be reiterated in a second letter to the President.

In this connection the statement made by Dr. Weizmann that Ibn Saud had written the 1938 letter because "no Arab could afford to speak less loudly than the other" at that time regarding the establishment of a Jewish national home is true only so far as it relates to the timing of the letter. The same comment might be made at the present time when Ibn Saud is sending a second letter on the subject of Palestine to the President. Now the voices of many Arab leaders are being raised with various proposals and counter proposals and the King no doubt feels that he should also make some use of his influence in the cause of Arabism. There is no question now, or was there previously, of Ibn Saud's sincere interest in the Arab position in Palestine.

Respectfully yours,

J. HAROLD SHULLAW

811.20290B/14a

*The Secretary of State to President Roosevelt*⁵⁵

WASHINGTON, May 7, 1943.

MY DEAR MR. PRESIDENT: You will recall last October your insistence that an American mission should go to the Near East to assist the cause of the United Nations by taking advantage of the goodwill

⁵⁴ November 29, 1938, *Foreign Relations*, 1938, vol. II, p. 994.

⁵⁵ Notation by the President: "CH OK FDR."

that exists for the United States in that area. The final agreement with the British was for Lieutenant Colonel Harold B. Hoskins, A.U.S.,⁵⁶ and one officer to make a survey trip.

Colonel Hoskins has now returned after three and one-half months in which he visited all of the Near East and North Africa.

During the course of his visit he saw and talked to British, French, and American military and political officials, and to a large number of the leading Arab and Jewish officials and prominent persons in that area. A copy of his report is attached.⁵⁷

I believe that at least the summary warrants your careful reading. I also trust I may have your approval for further efforts along the lines indicated and for the wording of the proposed United Nations' declaration attached hereto, which, if you concur, we could first discuss with the British and subsequently with other United Nations.

Faithfully yours,

CORDELL HULL

[Enclosure 1]

SUMMARY OF LIEUTENANT COLONEL HAROLD B. HOSKINS' REPORT ON THE NEAR EAST

Part I gives the outstanding facts developed in the course of his three and one-half months' trip through the Near East and North Africa and may be summarized as follows:

(1) The most important and most serious fact is the danger that, unless definite steps are taken to prevent it, there may be a renewed outbreak of fighting between Arabs and Jews in Palestine before the end of the war and perhaps even during the next few months. Such fighting in Palestine is almost certain to lead to the massacre of Jews living in the neighboring states of Iraq and Syria as well as in other places in the Near East.

The tension is growing steadily and as a result the Arabs are likely to be goaded as their only effective means of protest into breaking the informal truce which has existed in Palestine since the outbreak of the war in 1939. The Arabs feel that the Zionists, by continuing a world-wide propaganda for a Jewish State in Palestine, have not kept their part of the bargain. There is therefore in the minds of the Arabs a growing fear that unless they do something, they will be faced, when the war is over, with a decision already taken by the Great Powers to turn Palestine over to the Jews. This fear is, of course, one on which Axis propaganda to this area has constantly and effectively harped.

⁵⁶ Army of the United States.

⁵⁷ Report of April 20, 1943, not printed; a summary of the report, also enclosed, is printed below.

(2) The Jews feel that with their increased numbers and with their increased stocks of arms they can more than hold their own in actual fighting with Palestinian Arabs. However, from previous experience the Jews realize that, whenever serious fighting with the Arabs starts in Palestine, assistance from neighboring Arab states will again pour in. It is this increased opposition that the Zionists admit they probably do not have the power to overcome without outside assistance from British or British and American military forces.

(3) There is an ever-present Arab fear of American support for political Zionism with its proposed Jewish State and Jewish Army in Palestine. This is now extending to the further fear of American support for the penetration of Jewish people into Syria and other neighboring Arab areas, once Palestine has been fully populated.

(4) There is also a growing Syrian fear of American support for, or at least acquiescence in, a continuation of French control in Syria after this war is over. The Syrians remember that, after the last war and despite an overwhelming preference for the United States and specific objection to France, the mandates for Syria and Lebanon were nevertheless given to France.

In fact, the fear that already haunts all of the Near East is that at the end of the present World War the United States may again return to isolationism. Even today this is the cause of such worry that reference is made to it in almost every conversation held with private or official individuals.

(5) Tension and difficulties with the Arabs in North Africa have already been reported to the War Department by General Eisenhower.⁵⁸ The unenthusiastic, and in some places uncooperative, attitude of the North African Arab populations reflects hostile propaganda that has claimed that American successes in North Africa would aid the Jewish cause in Palestine.

Obviously the security of American or United Nations troops in the Arab or Moslem world has not yet reached a critical stage. But the situation is definitely unhealthy. The experiences of British troops during their retreat in Burma are a grave and recent warning of the serious effects that a hostile, rather than friendly, native population can have on our military operations.

(6) Since Zionist propaganda in the United States is much greater than corresponding Arab pressure, it is important for the American people to realize that, in the Moslem world, Arab feelings remain uncompromisingly against the acceptance of a political Zionist State in Palestine.

⁵⁸ Gen. Dwight D. Eisenhower, Supreme Commander, Allied Expeditionary Forces, Mediterranean Theater.

It should be very clear to the American people, therefore, that only by military force can a Zionist State in Palestine be imposed upon the Arabs.

Part II notes some of the effects of the Arab-Jew conflict in Palestine on the United States.

Our domestic disunity is aggravated by dissension among American citizens of various foreign born groups and increasing conflicts among various Jewish groups, as well as increasing anti-Semitism.

An unfortunate effect for the Jews themselves has resulted from mixing together two problems that should be kept quite separate. Support for all-out aid to persecuted Jews in Europe, on which there can be no difference of opinion, should not be diminished by tying it up with the extremely controversial proposal to establish a Jewish political state in Palestine.

Part III suggests a specific step toward winning wartime support for our United Nations' cause of the 60 million Arabs in North Africa and the Near East.

(1) By the issuance now of a brief statement by the United Nations (or at least by the four major powers) giving assurances regarding the procedure that will be followed in arriving at a post-war settlement of Palestine. Such a statement need only restate as official policy of the United Nations, in regard to Palestine what the United States, Great Britain, and their Allies have already announced as their general policy in regard to territorial problems everywhere. This assurance can be very brief and need only consist of two points: (1) that no final decisions regarding Palestine will be taken until after the war; (2) that any post-war decisions will be taken only after full consultation with both Arabs and Jews.

A statement along these lines issued as soon as possible would go far to relieve existing tension in the Near East and would, in the opinion of officials in that area, be the military equivalent of at least several extra divisions of troops.

Part IV outlines a post-war solution.

The existing population of one million Arabs and one-half million Jews in Palestine is not to be moved and is to form a bi-national state within a proposed Levant Federation. This independent Levant Federation would be formed by the re-uniting of Lebanon, Syria, Palestine and Trans-Jordan that, prior to their dismemberment after the last war, had for years been one natural economic and political unit. The Holy Places, including Jerusalem, Jaffa, and Bethlehem, are to be an enclave under United Nations' control. The cession of some specific territory other than Palestine for a Jewish State is proposed—possibly northern Cirenaica, which is now virtually uninhabited.

The Jewish refugee problem is met to the extent that, under the proposed plan, the Jews could put another half million in Palestine so as to reach parity with the Arabs and up to a half million Jews in northern Cirenaica.

[Enclosure 2]

PROPOSED DECLARATION

The United Nations, having in mind the terms of their Declaration of January 1, 1942,⁵⁹ are agreed that while public discussions on controversial international questions are in general desirable, in order to promote an informed public opinion and clarification of the issues involved, it is undesirable that special viewpoints should be pressed while the war is in progress to such a degree as to create undue anxieties among United Nations and other friendly governments and peoples.

In this connection, the United Nations have taken note of public discussions and activities of a political nature relating to Palestine and consider that it would be helpful to the war effort if these were to cease. Accordingly, the United Nations declare it to be their view that no decision altering the basic situation of Palestine should be considered until after the conclusion of the war. When the matter is considered, both Arabs and Jews should be fully consulted and their agreement sought.

867N.00/631

The Chargé in Saudi Arabia (Shullaw) to the Secretary of State

No. 109

JIDDA, May 8, 1943.

[Received June 1.]

SIR: I have the honor to refer to the Department's strictly confidential instruction no. 41 dated April 6, 1943⁶⁰ concerning a conversation which took place on March 30, 1943 between the Under Secretary of State and the Egyptian Minister.

The remark of the Minister that each of the United Nations might well take a proportionate number of Jewish refugees is interesting in view of the fact that King Ibn Saud in his letter to President Roosevelt dated April 30, 1943 makes somewhat the same suggestion but in an oblique manner. The King's advisor, Shaikh Yusuf Yassin, several times recently has suggested that each of the United Nations should provide homes for the refugee Jews and should not look to Palestine, a small country, to carry the burden. Yusuf Yassin's sug-

⁵⁹ *Foreign Relations*, 1942, vol. I, p. 25.

⁶⁰ Not printed.

gestion relates not only to the settlement of refugee European Jews at the present time but to a possible reduction in the Jewish population of Palestine after the war. His ideas, or perhaps only the presentation of them, have undergone an evolution in the past few months. In his first remarks to me on the subject he appeared to favor only the stopping of further Jewish immigration into Palestine. Later the idea was added that after the war recent Jewish arrivals in Palestine should be removed from the country since Palestine otherwise would be sheltering a disproportionate share of the world's responsibility of furnishing homes for the Jews.

Respectfully yours,

J. HAROLD SHULLAW

890F.00/83 : Telegram

The Secretary of State to the Appointed Minister Resident in Saudi Arabia (Moose)

WASHINGTON, May 25, 1943—5 p. m.

19. Your 38, April 27, 8 p. m.⁶¹ The Department, of course, is reluctant to pass judgment upon any plan the Saudi Arabian Government may have in mind in giving publicity in this country to the King's views on the Palestine question. However, if a suitable opportunity occurs and you perceive no objection to doing so, you might express doubt as to whether the plan to distribute copies of Ibn Saud's letter of 1938 to the President in the United States is well suited to American conditions. You might suggest that the Saudi Arabian Government might find it advisable to study conditions in this country in order to reach a considered conclusion as to the best means of presenting its point of view with respect to matters with which it is concerned.

HULL

890F.00/81 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, May 26, 1943—6 p. m.

714. Your 723, April 7 [17], 10 a. m. Please arrange for the transmission of the following message⁶² from the President to King Ibn Saud through the confidential media he indicated :

"The American Minister, Mr. Kirk, has communicated to me Your Majesty's expression of friendship for the United States and sympathy for the United Nations' cause, which I am most grateful to receive.

⁶¹ Not printed ; it referred to the intention of the Saudi Arabian Government to print for distribution in the United States Ibn Saud's letter to President Roosevelt of November 29, 1938, *Foreign Relations*, 1938, vol. II, p. 994.

⁶² The Department subsequently authorized Minister Kirk to transmit this message to the Appointed Minister Resident in Saudi Arabia (Moose), for conveyance to King Ibn Saud in the exact wording of the English text (890F.00/90).

He has informed me also how Your Majesty has manifested this friendship and sympathy by remaining silent in regard to issues affecting the Arab peoples among whom Your Majesty is revered as a distinguished leader.

In conveying my appreciation of Your Majesty's sympathetic understanding and helpful cooperation, I wish to express my thorough agreement with Your Majesty's considered opinion that continued silence with respect to such matters would prove most helpful to the United Nations in their bitter struggle to preserve the freedom of mankind. Nevertheless, if the interested Arabs and Jews should reach a friendly understanding in regard to matters affecting Palestine through their own efforts before the end of the war, such a development would be highly desirable. In any case, however, I assure Your Majesty that it is the view of the Government of the United States that no decision altering the basic situation of Palestine should be reached without full consultation with both Arabs and Jews.

I take this opportunity to express my best wishes for Your Majesty's good health and for the well-being of your people. Franklin D. Roosevelt."

HULL

867N.01/5-2643

Memorandum by the Adviser on Political Relations (Murray) ⁶³

[WASHINGTON,] May 26, 1943.

It is stated in the Jewish Telegraphic Agency Bulletin of May 25, 1943 that Dr. Weizmann has announced the establishment in Washington of an office of the Jewish Agency for Palestine, under the direction of Dr. Nahum Goldmann in collaboration with Mr. Louis Lipsky.

It may be recalled that the Jewish Agency was established under the provisions of Article 4 of the Mandate for Palestine:

"An appropriate Jewish agency shall be recognised as a public body for the purpose of advising and cooperating with the Administration of Palestine in such economic, social and other matters as may affect the establishment of the Jewish national home and the interests of the Jewish population in Palestine, and, subject always to the control of the Administration, to assist and take part in the development of the country.

"The Zionist organisation, so long as its organisation and constitution are in the opinion of the Mandatory appropriate, shall be recognised as such agency. It shall take steps in consultation with His Britannic Majesty's Government to secure the cooperation of all Jews who are willing to assist in the establishment of the Jewish national home."

The question now arises as to the attitude which the Department should adopt with respect to the Washington office of the Jewish

⁶³ Addressed to the Acting Chief of the Division of European Affairs (Atherton), the Adviser on Political Relations (Dunn), the Assistant Secretary of State (Berle), the Under Secretary of State (Welles), and the Secretary.

Agency and its representatives who may call at the Department. It is believed that the answer to this question may be found in Article 4 of the Mandate, with reference to the provision therein that the Jewish Agency shall operate "subject always to the control of the Administration". It is recommended, therefore, that no official recognition be accorded to this Washington office of the Jewish Agency, and that Dr. Goldmann, Mr. Lipsky, and any other representatives of this office be received and treated in the same manner as they have been heretofore upon the occasion of their visits to the Department to discuss matters relating to Palestine. In the event that they have anything to communicate to the Department on behalf of the Jewish Agency, it is recommended that they be informed that such communications should be transmitted to the Department through the British Embassy.

WALLACE MURRAY

890F.00/92: Telegram

The Appointed Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, June 6, 1943—2 p. m.

[Received 4:15 p. m.]

51. Legation's telegram No. 50, June 3, 3 p. m.⁶⁴ The President's message⁶⁵ was delivered to Amir Faisal yesterday for transmission to King Ibn Saud. Faisal was cordial and apparently pleased. Despatch will follow.⁶⁶

Repeated to Cairo.

MOOSE

890F.00/96

The Appointed Minister Resident in Saudi Arabia (Moose) to the Secretary of State

No. 125

JIDDA, June 7, 1943.

[Received June 28.]

SIR: I have the honor to refer to the Department's telegram no. 19, May 25, 5 p. m., 1943, and to report that when I called on the Amir Faisal, Saudi Minister of Foreign Affairs, at Taif, on June 5, 1943,

⁶⁴ Not printed.

⁶⁵ See telegram No. 714, May 26, p. 786.

⁶⁶ Despatch No. 124, June 7; Minister Moose stated in part, "The Minister of Foreign Affairs was more cordial than I had seen him on any previous occasion." (890F.00/95).

the Amir Faisal on his own initiative brought up the problem of securing adequate publicity in the United States for the Arab point of view with regard to the problem of Palestine.

He stated that the Jews in the United States had used their money and position in the United States to justify Zionist claims in the eyes of the American public, to the prejudice of Arab rights. Therefore, the Amir Faisal thought that favorable publicity in the United States would be beneficial in supporting the Arab point of view.

Advantage was taken at this moment of the opportunity to deliver to the Amir Faisal verbally the sense of the Department's telegram cited above.

Then the Amir Faisal continued by saying that Palestine is a small country: too small to be a National Home for *all* the Jews, even if the Arabs were to be crowded out. He stated that the Arab population of Palestine had already been afflicted enough by Jewish penetration. Arabs had lost their lands and in some cases had been forced to emigrate from Palestine. To the Amir Faisal, it seemed to be only elementary justice that the Arabs should not be called upon to suffer further Jewish immigration.

He pointed out that the Arab quarrel was essentially with the Zionists and with those who aided and abetted Zionism, and not necessarily with the Jews; recalling at the same time that Jews and Arabs had dwelt peaceably in Palestine, side by side, for many years before the Zionist colonization of the country began.

Later in the conversation, the Amir Faisal revealed that his father, King Ibn Saud, was considering a request for an interview with an Associated Press Correspondent named Clyde Farnsworth, and the King was considering the request solely on the basis of possible favorable publicity in the American press if the interview were granted, or possible adverse comment if it were not granted.

So far as I am aware, the King's apparent solicitude for American public opinion is a recent development. That he is in fact interested in the attitude of the American public may be inferred from (1) the recent visit of Noel Busch, correspondent of *Life*, to Riyadh, (2) the King's desire, or that of Shaikh Yussuf Yassin, to publish the King's 1938 letter to the President,⁶⁷ (3) the basis on which the King is considering Mr. Farnsworth's request for an interview, and possibly (4) the King's letter to the President dated April 30, 1943, transmitted through the Legation at Cairo which is drawn up in a style which might be considered suitable for eventual wide distribution.

Respectfully yours,

JAMES S. MOOSE, JR.

⁶⁷ *Foreign Relations*, 1938, vol. II, p. 994.

890F.00/89

*President Roosevelt to King Abdul Aziz Ibn Saud*⁶⁸

GREAT AND GOOD FRIEND: I have received Your Majesty's communication of April 30, 1943, relating to matters affecting Palestine, and I appreciate the spirit of friendship you have manifested in expressing these views to me.

I have noted carefully the statements made in this communication, as well as those contained in Your Majesty's letter of November 19[29], 1938, and the oral message conveyed to Mr. Kirk, the American Minister, at the conclusion of his recent visit to Riyadh.

Your Majesty, no doubt, has received my message delivered by Mr. Moose to His Highness the Amir Faisal. As I stated therein, it appears to me highly desirable that the Arabs and Jews interested in the question should come to a friendly understanding with respect to matters affecting Palestine through their own efforts prior to the termination of the war. I am glad of this opportunity, however, to reiterate my assurance that it is the view of the Government of the United States that, in any case, no decision altering the basic situation of Palestine should be reached without full consultation with both Arabs and Jews.

I renew my expressions of best wishes for Your Majesty's good health and for the well-being of your people.

Your Good Friend,

FRANKLIN D. ROOSEVELT

867N.00/634a : Telegram

*The Secretary of State to the Ambassador in the United Kingdom (Winant)*⁶⁹

WASHINGTON, June 9, 1943—7 p. m.

3586. You are requested to inform the Foreign Secretary without delay that this Government is deeply concerned over Arab-Jewish tension in Palestine. Reliable information made available to our representatives, principally by British official sources, in Palestine and neighboring areas is to the effect that both Arabs and Jews are well armed and confident and that each side is merely awaiting what it deems to be suitable provocation before resorting to force in furtherance or defense of its supposed interests.

The serious effects which such an eventuality would have upon the populations of vast areas which are vital to the military effort require, of course, no elaboration. Moreover, Zionist political agitation in

⁶⁸ Copy transmitted to the Appointed Minister Resident in Saudi Arabia by the Secretary of State in his instruction No. 51, June 19; copy in Department's files undated.

⁶⁹ Notation on the original: "OK FDR."

the United States and elsewhere has already caused in the Arab countries alarm and political reactions which in turn produce a still higher pitch of Zionist activity. A spiral of increasing tension has thus been created which feeds on itself and, unless the tension is abated, disastrous results might well occur in the immediate future. In any event, it would appear that the large amount of attention and energy which is being devoted to the Palestine question is causing serious distraction from the war effort.

It appears to us, and we hope the British Government will agree, that the time has come to deal effectively with the situation. To that end we suggest the issuance of the following statement which is designed to postpone a decision on the Palestine question for the duration of the war. The suggested statement is believed to be in harmony with declared British policy, and the text given below has the approval of the President :

“The United Nations, having in mind the terms of their Declaration of January 1, 1942, are agreed that while public discussions on controversial international questions are in general desirable, in order to promote an informed public opinion and clarification of the issues involved, it is undesirable that special viewpoints should be pressed while the war is in progress to such a degree as to create undue anxieties among United Nations and other friendly governments and peoples.

In this connection, the United Nations have taken note of public discussions and activities of a political nature relating to Palestine and consider that it would be helpful to the war effort if these were to cease. As in the case of other territorial problems, it is not in their view essential that a settlement of the Palestine question be achieved prior to the conclusion of the war. Nevertheless, if the interested Arabs and Jews can reach a friendly understanding through their own efforts before the end of the war, such a development would be highly desirable. In any case, no decision altering the basic situation of Palestine should be reached without full consultation with both Arabs and Jews.”

It will be observed that the statement has been drafted for issuance by the United Nations. We feel that there are definite disadvantages as well as advantages in having a statement on the subject by all of the United Nations. For this and other obvious and essential reasons we are seeking the views of the British Government before taking the matter up in any other quarter.

Among the disadvantages are the length of time which would be required to consult the other United Nations; the possibility that one or more of them might not feel able to subscribe to the statement; and the fact that some of them presumably have little interest in the Palestine question. On the other hand, a statement by the United Nations would have great weight.

We are prepared to consider whether, taking things all around, issuance of the statement (with changes of wording to take account of the fact that it would not be issued by the United Nations) might not be preferable on the part of a smaller group of countries such as China, Great Britain, Soviet Russia and the United States.

For your information, we should not object to issuance of a joint statement or of essentially similar and concurrent separate statements by the British and American Governments should the British suggest and show a marked preference for either procedure, in which case you are authorized so to state.

HULL

867N.01/1993½

*Memorandum by Dr. Chaim Weizmann*⁷⁰

JUNE 12, 1943.

The appointment with the President was set for June 11th, 12 noon, but Mr. Sumner Welles suggested that I should meet him in the State Department at 11.45, and he would bring me to the President.

I met Mr. Welles about 11.50 a. m. and he took me over by a short cut from the State Department to the White House, which we reached about a few minutes before 12, and while we were waiting to be received by the President, I had a short talk with Mr. Welles. I pointed out to him that I was anxious to discuss with the President the situation in Palestine, along the same lines as we had pursued in our various interviews, namely, that the matter cannot be allowed to drift; that the Arabs must be told that the Jews have a right to Palestine.

To this Mr. Welles replied that it is quite right that the President should be told explicitly what our wishes are . . . Mr. Welles stated that the next three or four months will be a period of crystallization and a great many things are being discussed and will be shaped, and therefore it is very timely that the Palestine problem should be dealt with now.

At this stage we were interrupted and asked to come into the President's room. He greeted us very cordially and began by saying that he had a talk with Mr. Churchill⁷¹ about our affairs; that he had

⁷⁰ In a memorandum of September 21 to the Secretary of State, forwarding the Weizmann memorandum, the Adviser on Political Relations (Murray) wrote: "The original of this memorandum was prepared by Dr. Weizmann for the British Foreign Office and a copy of it was furnished to Colonel Harold Hoskins during his recent visit to Saudi Arabia on a special mission for the President. As far as I am aware, no other record exists of these important conversations regarding the future of Palestine which took place in the White House last June." (867N.01/1993½)

⁷¹ Winston S. Churchill, British Prime Minister.

gotten Mr. Churchill to agree to the idea of calling together the Jews and the Arabs, and I understood him to say that he and Mr. Churchill would be present at such a meeting.

I at once remarked that it is most important that the mistakes made at the St. James Conference in London ⁷² should not be repeated; that such mistakes can be avoided if the Arabs are told beforehand that the Democracies mean to affirm the Jewish rights to Palestine; that the Arabs have got out of the two wars a great deal, owing to the blood and treasure spent by the Democracies, who therefore have the right to determine what sort of settlement they consider fair. The Arabs must be told that the reasons which have brought about the Balfour Declaration and the subsequent development in Palestine have not lost their meaning,—on the contrary.

The President then asked another question: He is being told that Jewish colonization is running a deficit all the time, which deficit is being filled up by charitable contributions from abroad, chiefly from America. I replied that such a report is incorrect, that any country which receives new immigrants is bound to spend money on development, and therefore would have apparently an unfavorable trade balance, but if one estimates the moneys spent for the development of Palestine and the assets created, and takes into account the production of Palestine, then the trade balance is far from being unfavorable.

The President then reverted to the idea of the conference, on which he and Mr. Churchill agreed, and he said,—of course, you will see Mr. Churchill and you will discuss it with him,—and then interjected the question,—Did you see Mr. Churchill here? And I said, no, Mr. Churchill doesn't like to see me because he has very little to tell me. At which he laughed and said he knows that it is the case; that it may be different now in London.

I then emphasized the necessity of doing things now and not waiting for the end of the war; (*a*) because one would not like to allow things to harden; (*b*) Something may happen in Palestine which may create a very difficult position; (*c*) and this uncertainty is always contributing towards tension. Mr. Welles at that stage said, with the approval of the President, that he fully agrees with such a view, and there is not going to be a line of demarcation between the cessation of hostilities and the beginning of peace. A great many questions are beginning to shape themselves now, like the Food Conference.⁷³

⁷² The so-called London conferences, or Round Table Conference, of February-March, 1939; see *Foreign Relations*, 1939, vol. iv, pp. 694-810, *passim*.

⁷³ The United Nations Conference on Food and Agriculture, held at Hot Springs, Virginia, May 18-June 3; for correspondence regarding this Conference, see vol. i, pp. 820 ff.

The President then asked, Where would you be if a conference does take place? To which I replied that, all being well, I shall see that I find myself on the spot where the conference does take place.

Mr. Welles then asked the President whether he would like to send someone to Ibn Saud to prepare the ground, to which the President said that that would be an excellent idea, but Mr. Churchill must be consulted first, and his agreement secured. Several names were mentioned in this connection, like Philby ⁷⁴ and Mr. Hoskins. Mr. Welles suggested that Mr. Hoskins may serve us well in this capacity.

Dr. Weizmann then took the opportunity of reverting again to the main problem by suggesting that the present situation is most unsatisfactory and dangerous, and these 500,000 Jews in Palestine have begun to feel themselves in a trap, and this, added to the general position of Jewry, naturally creates a very serious state of mind, and the sooner this position is settled and the Jews know that there is a future for them in Palestine, the better. The idea that the Arabs would revolt is always there and I do not think that it would materialize if the Arabs would really feel that the democracies really mean business.

The President then raised the question of the difficulty of finding Arab leaders, to which I said that that is a really serious difficulty. When there was a competent and authoritative leader, it was not difficult for him and myself to come to a very important agreement,—and I briefly told the story of my first talk with Feisal ⁷⁵ and Lawrence,⁷⁶—which obviously was new to the President.

That terminated the interview, which lasted about a short hour. I thanked Mr. Welles most warmly in the presence of the President for the great kindness and services which he has rendered in this difficult situation, and when Mr. Welles took leave from me outside the gates of the White House I again thanked him, to which Mr. Welles said: You should know, Dr. Weizmann, that I am deeply interested.

On our way out of the office Mr. Welles said that I may hear from him in about six weeks, and that if I want to communicate something to him I can do it through Ambassador Winant.

⁷⁴ H. St. John Philby, British Orientalist, formerly British Political Agent and later personal adviser to King Ibn Saud.

⁷⁵ A son of Hussein, Sherif of Mecca and leader of the Arab Revolt of 1916 against Ottoman Turkey, Feisal was briefly King of Syria (Greater Syria) in 1920 and King of Iraq, 1921–33.

⁷⁶ Col. Thomas Edward Lawrence (Lawrence of Arabia), British Army officer who won fame as an organizer of the Arab Revolt of 1916.

867N.01/1165a : Telegram

*The Secretary of State to the Ambassador in the United Kingdom (Winant)*⁷⁷

WASHINGTON, June 12, 1943—8 p. m.

3649. Please inform the Prime Minister that the President has recently received two communications from King Ibn Saud expressing his opposition to the creation of a Jewish state in Palestine or any further increase of Jewish influence in that country. In this general connection, the President, within the past few days, has discussed the Palestine situation with Dr. Chaim Weizmann. As a result of this discussion, the President believes that the time has come when an approach should be made to Ibn Saud with a view to seeing whether any basis for a settlement can be found. If the Prime Minister agrees with this conclusion, the President would propose to send to Saudi Arabia to initiate discussions Lieutenant Colonel H. B. Hoskins, Army of the United States. Colonel Hoskins is thoroughly familiar with the current situation in the Near East through a recent visit to that area and for a long time has been a close student of the Arab-Jewish problem. He speaks Arabic fluently.

Please mark your reply "Secret for the Secretary and Under Secretary".

HULL

867N.01/1868 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, June 29, 1943—11 p. m.
[Received June 29—8 : 38 p. m.]

4286. In regard to the Department's 3942, June 28, midnight,⁷⁸ the question dealt with in the Department's 3586, June 9, 7 p. m., will be considered by the War Cabinet on Thursday and I have been promised a reply shortly thereafter.

I have just received from Mr. Eden the following reply to the question treated in the Department's 3649, June 12, 8 p. m.

⁷⁷ An attached memorandum of June 15 by the Chief of the Division of Near Eastern Affairs (Alling) reads: "The attached telegram to London was drafted upon instructions from Mr. Welles following a conference which he had at the White House with the President and Dr. Chaim Weizmann."

⁷⁸ Not printed; it requested information regarding the present status of the matters mentioned in Department's telegrams No. 3586, June 9, p. 790, and No. 3649, June 12, *supra*.

"In a letter dated June 14 you informed the Prime Minister that President Roosevelt believed that the time had come when an approach should be made to Ibn Saud with a view to seeing whether any basis for a settlement of the Palestine question can be found and suggested that Lieutenant Colonel Hoskins might go to Saudi Arabia to initiate discussions.

In view of the importance of preserving political tranquility in the Arab countries, we are naturally anxious not to awaken wide public controversy there on this subject at the present juncture in the war. Moreover, General Hurley has recently seen Ibn Saud and the reports which we hear of his conversations do not lead us to suppose that Ibn Saud's attitude would be such as to facilitate agreement between Jews and Arabs on the Palestine question.

Nevertheless, in view of the importance of President Roosevelt being fully informed and of increasing our own knowledge on this subject, we have not the slightest objection to the President's proposal to send Lieutenant Colonel Hoskins to see Ibn Saud. If he goes, we should be grateful if he could receive general directives for his conversations somewhat on the following lines:

(a) No suggestions involving territorial alterations in other Arab countries should be put forward by him;

(b) The conversations should be purely exploratory in nature and should not in any way prejudice the interests of other Arab countries; and the visit should be carried out as unobtrusively as possible.

These points may seem self-evident, but we attach importance to them, owing to the feelings which have already been aroused in the Arab world on this question.

I need hardly say that we should be grateful if we could be kept most fully informed as to the tenor and outcome of Lieutenant Colonel Hoskins' conversations."

WINANT

867N.01/1877

The Secretary of State to Lieutenant Colonel Harold B. Hoskins

WASHINGTON, July 7, 1943.

MY DEAR COLONEL HOSKINS: At the direction of the President, you are to proceed at once to Saudi Arabia in order to make an inquiry of King Ibn Saud, on behalf of the President, regarding the King's attitude with respect to a matter regarding Palestine.

In your conversation with the King, you should confine yourself exclusively, after making appropriate preliminary remarks, to obtaining the King's reply to the following specific question: Will King Ibn Saud enter into discussions with Dr. Chaim Weizmann or other representatives selected by the Jewish Agency for the purpose of seeking a solution of basic problems affecting Palestine acceptable to both Arabs and Jews?

I am confident that you will exercise good judgment and discretion in carrying out this important mission on behalf of the President.

Sincerely yours,

CORDELL HULL

867N.01/1868 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, July 9, 1943—7 p. m.

4165. Your 4286, June 29, 11 p. m. In as much as it was contemplated that the matter dealt with in the Department's 3586, June 9, 7 p. m., was to have been considered by the War Cabinet on July 1st, it would be appreciated if the Department might be furnished with a reply as soon as possible.

HULL

867N.01/1875 : Telegram

*The Ambassador in the United Kingdom (Winant) to the Secretary
of State*

LONDON, July 14, 1943—9 p. m.
[Received July 14—8:31 p. m.]

4592. Department's No. 4165, July 9, 7 p. m. Mr. Eden has just given me the following letter and proposed statement to be issued by our two Governments regarding Palestine:

"In your letter of the 10th June ⁷⁹ you were good enough to inform me that your Government, being deeply concerned over Arab-Jewish tension in Palestine, suggested that a statement, of which you enclosed a draft, should be issued by the United Nations with a view to postponing for the duration of the war a decision on the Palestine question. In subsequent conversation you mentioned that the State Department saw certain disadvantages as well as advantages in a statement on this question by all the United Nations and would have no objection to the issue of a joint statement by His Majesty's Government and the United States Government.

We warmly welcome this proposal, which we think will be most valuable in preventing any further aggravation of the position in Palestine. But we think that the disadvantages of a statement by all the United Nations outweigh the advantages, and we should prefer a joint statement by our two Governments.

The last sentence of the draft which you enclosed recalls a statement made by Lord Cranborne ⁸⁰ in the House of Lords on the 6th

⁷⁹ See telegram No. 3586, June 9, to the Ambassador in the United Kingdom, p. 790.

⁸⁰ Robert Cecil, Viscount Cranborne, Government Leader in the House of Lords.

May 1942,⁸¹ and we have therefore suggested an amendment to that sentence which brings this out more fully. We have also thought it well to add that we shall not permit or acquiesce in any changes brought about by force in the status of Palestine or the administration of the country.

I enclose a re-draft of the suggested statement incorporating these amendments and I very much hope that the United States Government will agree that it can be issued in its present form."

[Here follows text of suggested statement substantially the same as that printed on page 799.]

WINANT

867N.01/1869 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, July 17, 1943—2 p. m.

4329. Your 4286, June 29, 11 p. m. Please inform Mr. Eden that we appreciate his letter of June 14 [29?] and that Lieutenant Colonel Hoskins has departed by air for Saudi Arabia to consult with King Ibn Saud. Please assure Mr. Eden that Lieutenant Colonel Hoskins' instructions are such as to conform fully with the wishes expressed in the latter part of Mr. Eden's letter.

HULL

867N.01/1882½

*The Secretary of State to President Roosevelt*⁸²

WASHINGTON, July 19, 1943.

MY DEAR MR. PRESIDENT: With your approval, we recently suggested to the British Government the issuance of a statement on Palestine, in order to reduce Arab-Jewish tension. Our suggestion was in the form of a statement by the United Nations, but we stated to the British that we saw both advantages and disadvantages in a United Nations' statement on the subject, and that if the British preferred a joint Anglo-American statement, such would be agreeable to us.

Mr. Eden has now informed our Ambassador at London that the British Government warmly welcomes our proposal and thinks it will be most valuable in preventing any further aggravation of the posi-

⁸¹ *Parliamentary Debates*, House of Lords, 5th series, vol. 122, col. 943. Lord Cranborne had said, in response to a question, "My Lords, while I would make it clear that there has been no change in the policy of His Majesty's Government with regard to Palestine, the noble Lords may rest assured that His Majesty's Government will not enter into commitments regarding the future of that country without prior consultation with all those, including both Arabs and Jews, whom they may judge to be concerned."

⁸² Notation on the original: "CH OK FDR."

tion in Palestine. The British believe that the disadvantages of a statement by all the United Nations outweigh the advantages, and prefer a joint statement by the United States and British Governments.

Our proposed statement meets with the full approval of the British. However, they suggest an expansion of the concluding sentence to take account of a statement made by Lord Cranborne in the House of Lords on May 6, 1942. They also desire to add that the British Government will not permit or acquiesce in any changes brought about by force in the status of Palestine or the administration of the country, and that we are in full accord with that policy.

We consider that the British redraft is fully acceptable, apart from inconsequential wording due to differences in usage, and we shall have the statement issued here in accordance with American practice. These minor changes have already been cleared with the British Embassy.

Provided you perceive no objection, we shall immediately arrange with the British for simultaneous issuance of the statement in Washington and London at the earliest possible moment. The statement which we intend to issue here is attached.

Faithfully yours,

CORDELL HULL

[Enclosure]

Statement for Issuance by the Governments of the United States and the United Kingdom Regarding Palestine

The Governments of the United States and of the United Kingdom, having in mind the terms of the United Nations declaration of January 1, 1942, are agreed that while public discussions on controversial international questions are in general desirable, in order to promote an informed public opinion and clarification of the issues involved, it is undesirable that special viewpoints should be pressed while the war is in progress to such an extent as to create undue anxiety among United Nations and other friendly governments and peoples.

In this connection, the Governments of the United States and of the United Kingdom have taken note of public discussions and activities of a political nature relating to Palestine and consider that it would be helpful to the war effort if these were to cease. As in the case of other territorial problems, it is not, in their view, essential that a settlement of the Palestine question be achieved prior to the conclusion of the war. Nevertheless, if the interested Arabs and Jews can reach a friendly understanding through their own efforts before the end of the war, such a development would be highly desirable. In any case, the British Government has already stated that no decision affecting the basic situation in Palestine would be reached without full consultation

with all concerned, including both Arabs and Jews. But the British Government wishes to make it clear that it has no intention of permitting or acquiescing in any changes brought about by force in the status of Palestine or the administration of the country. The United States Government is in full accord with this policy.

867N.01/1875 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, July 22, 1943—2 p. m.

4403. Please inform the Foreign Office that this Government is entirely in accord with the redraft statement on Palestine transmitted by your 4592, July 14, 9 p. m. We intend to issue the statement here on July 27, at 12 o'clock noon, Eastern War Time, and presume that the British will desire to issue the statement simultaneously in London.

The statement to be issued here will contain a few inconsequential changes of wording to accord with American usage, but not affecting the substance thereof, which have been cleared with the British Embassy in Washington.

Please inform us at the earliest possible moment whether this procedure is agreeable to the Foreign Office.

HULL

867N.01/1885 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, July 23, 1943—9 a. m.

[Received July 26—7:40 a. m.]

1307. From Hoskins for Murray and Alling. In line with your suggestion that I send you a draft of my proposed remarks to Ibn Saud, these have been prepared on the assumption that there has been no decision to which I can refer in regard to the proposed statement as to the status of Palestine. If, however, before I see the King I receive word from you of its approval you may wish to indicate to me by cable the extent to which I can make reference to it in my audience with Ibn Saud.

Proposed remarks to Ibn Saud.

1. The President, as you know, has received your letters regarding Palestine and has sent you his thanks for keeping him informed of your own point of view and of the general aim and view towards this problem. It is, as you fully appreciate, a complicated problem

to which the President, Mr. Hull and Mr. Welles have in recent months been giving increasing attention.

2. As Your Majesty is aware, it has become the generally established policy of the Government of the United States and I believe also of the Government of Great Britain, as far as possible, to postpone until after the Axis has been defeated the discussion of the many territorial and boundary problems that exist in various parts of the world. Our primary and pressing objective is to win the war.

3. At the same time the Prime Minister and the President would be derelict in their duties if they overlooked any possibilities for a peaceful settlement of the problem of Palestine even before the end of the war, provided such a solution could be reached by voluntary agreement between the interested parties concerned.

4. Knowing from your letters of your special interest in this problem, President Roosevelt has sent me to see Your Majesty. He instructed me to ask you whether or not, in your opinion, it would be desirable and useful at this time for you, or someone designated by you, to meet Dr. Chaim Weizmann or some designated official of the Jewish Agency for the purpose of seeking a solution of basic problems affecting Palestine acceptable to both Arabs and Jews.

5. In this connection I may add that Mr. Churchill and Mr. Eden have been informed by the President of my visit to Riyadh⁸³ and are in accord.

6. I wish also to make clear to Your Majesty that the President, in submitting the suggestion of such a meeting, leaves the decision entirely in your hands and refrains from advising that such a meeting should now take place unless you feel that for [*from*] such a meeting there might result a fair and just solution of the problem of Palestine. The willingness of Dr. Weizmann or of his representative to participate has already been indicated to us.

7. After you have had an opportunity to consider this matter, I shall appreciate your advising me of your decision so that I can in turn make my report to the President.

[Hoskins]

KIRK

867N.01/1883 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, July 23, 1943—2 p. m.

[Received July 23—8:50 a. m.]

4792. I have just been in touch with Mr. Eden who tells me that the procedure for the issuance of the statement on Palestine suggested in your 4403, July 22, 2 p. m., is agreeable to the Foreign Office.⁸⁴

WINANT

⁸³ The capital of Saudi Arabia.

⁸⁴ After two postponements it was decided not to issue the statement; see telegram No. 4767, August 7, 5 p. m., to the Ambassador in the United Kingdom, p. 803.

890F.00/97: Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, July 24, 1943—noon.

[Received 4:50 p. m.]

71. Personal for Alling. Department's 911 to Cairo, July 10, 10 p. m.⁸⁵ Hoskins now in Cairo has just advised me of purpose of his mission but gave few details. Although I will do everything possible to assist him, I am not hopeful of any beneficial result. The King will not be happy to have to choose between prejudicing his position in the Moslem world or refusing the proposals of his friends. He will not compromise his principles as he conceives them.

MOOSE

867N.01/1885: Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, July 31, 1943—5 p. m.

1059. Your 1307, July 23, 9 a. m. For Hoskins from Murray and Alling. We are pleased with your proposed remarks to Ibn Saud but suggest that you eliminate paragraph 6 entirely. [Murray and Alling.]

HULL

867N.01/1920

Memorandum by the Secretary of State

[WASHINGTON,] August 6, 1943.

Memorandum for the files in relation to the proposal to request a cessation of Jewish agitation in this country to the extent and in a manner calculated to create serious controversy in the Palestine area, and so operate to the serious detriment of the military situation.

A short while ago I had opportunity fully to examine this proposal. I sent it to the War Department with a statement that since this is primarily and essentially a military matter, it was the responsibility of the War Department to set out in writing the conditions of danger from such agitations that would create such a military exigency, or possibility of such exigency, as would move the War Department to

⁸⁵ Not printed.

request that such agitation in this country be desisted in, and that otherwise the State Department would, of course, have no function requiring it to take the initiative in the matter. I brought the matter up in a telephone conversation with Secretary Stimson and recited all the facts and circumstances which are essential.

On yesterday Secretary Stimson called me over the telephone and said he had investigated the matter, and had come to the conclusion that the security situation in Palestine was not so serious as to warrant any action from a military point of view, and that the War Department did not propose to take the matter up. I thanked him and said that ended it so far as the State Department is concerned. I added that for some months intimations had been coming from some persons or officials in the War Department in favor of such proposals; that I understood these intimations were based upon reports from military authorities in the Middle East and upon reports from our diplomatic and consular officers which had been made available to the War Department; and that they had apparently influenced some of my associates in the State Department.

CORDELL HULL

867N.01/1885a : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, August 7, 1943—5 p. m.

4767. Department's 4483, July 26, 7 p. m.⁸⁶ Please inform the Foreign Office that following further discussions with the War Department it has been decided not to issue the proposed joint statement regarding Palestine. It had been our understanding that the military authorities considered the security situation in the Middle East to be such as to require some action calculated to reduce agitation and to eliminate the possibility of disturbances in Palestine. Upon reexamining the matter, however, the War Department has come to the conclusion that the security situation is not so serious as to require any action at this time. In as much as the sole purpose of the proposed statement was to ameliorate a condition which was thought to be dangerous to the military security of Allied forces in the Middle East no basis now exists, so far as the United States is concerned, for issuing the statement.

HULL

⁸⁶ Not printed.

867N.01/1898 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, August 10, 1943—4 p. m.

[Received August 10—11:30 a. m.]

5235. In accordance with the Department's 4767, August 7, 5 p. m., I informed Mr. Eden of the decision not to issue the proposed joint statement regarding Palestine. He and Colonel Stanley⁸⁷ were both very disappointed.

WINANT

887N.01/1936a : Telegram

The Secretary of State to the Consul at Basra (Fletcher)

WASHINGTON, August 16, 1943—11 p. m.

109. From Alling for Colonel Hoskins who is expected to arrive in Basra about August 27th: In the interests of secrecy please do not telegraph your report. Instead please send your full report by air pouch from the Legation at Cairo. [Alling.]

HULL

867N.01/1950

*Memorandum Concerning the Proposed Joint Statement on Palestine*⁸⁸

It is not apparent why the United States Government should think that the situation in Palestine is less inflammable. An American-Jewish congress is to be held at the end of this month which may well put forward the most uncompromising demands. Much publicity has recently been given to talks between the Prime Ministers of Iraq and Egypt on Arab federation which, though innocuous in themselves, might lead to agitation in the Arab world about Palestine. A further incident which might set a match to the flames is the recent discovery of large-scale thefts of arms by Jews in Palestine. Investigations have disclosed the existence of a highly-organised racket, and these investigations may well lead direct to the Jewish Agency. Courts-

⁸⁷ Col. Oliver Stanley, British Colonial Secretary.

⁸⁸ In a memorandum of August 28 to the Secretary of State the Adviser on Political Relations (Murray) wrote: "The attached paper . . . received from the British at Quebec . . . It is my understanding that agreement was reached at Quebec to hold the statement in abeyance on a month-to-month basis. . . ." In his *Memoirs*, vol. II, p. 1533, Secretary Hull states that this decision was made by President Roosevelt and Prime Minister Churchill on August 22. Correspondence regarding the First Quebec Conference, August 17-24, 1943, is scheduled for publication in a subsequent volume of *Foreign Relations*.

martial have been held on some British soldiers, who have been condemned to terms of penal servitude, and the trial is now proceeding of two Jews. The High Commissioner reports that if these Jews are convicted, a violent outbreak is possible. It is clear, therefore, that both in America and in the Middle East, the need for some sedative joint statement is as urgent as ever. Such a statement would not of course be directed solely against the Jews, but applies equally to agitation from Arab or any other quarter. It is not easy to understand the Zionists' opposition to it, except on the assumption that they wish to bring the Palestine question to a head at a moment inconvenient to us from the point of view of the war. If a statement is to be issued, the sooner it appears the better.

QUEBEC, 21 August, 1943.

S67N.01/1980

Memorandum of Conversation, by the Assistant Chief of the Division of Near Eastern Affairs (Merriam)

[WASHINGTON,] August 25, 1943.

Participants: Mr. Ali Jawdat, Minister of Iraq
 Mr. A. M. Gailani, Secretary of the Iraqi Legation
 Mr. Murray
 Mr. Merriam, NE

The Iraqi Minister handed to Mr. Murray a strong and rather lengthy statement⁸⁹ which the Minister said he was considering issuing to the press to counteract recent resolutions in regard to Palestine which had been adopted by the Legislatures of eight States. The resolutions advocate, in effect, unlimited immigration of Jewish refugees into Palestine. Mr. Jawdat, who was considerably concerned over these resolutions, said that before taking this step, he desired to talk it over with Mr. Murray.

Mr. Murray made it clear that he could give no official advice in such a matter, which was entirely for decision by the Minister and his Government. Quite informally, however, Mr. Murray suggested that the issuance of such a statement by the Minister would involve him in acrimonious controversy which would be highly undesirable from every point of view. It was also suggested that the Minister might give further thought to the significance of the resolutions, considering that only eight of the forty-eight States had taken action on the present phase of the Palestine question, and that, under the Constitution, the State Legislatures have no authority as regards foreign affairs.

⁸⁹ Not found in Department files.

Mr. Murray said that, of course, the Minister had the privilege of addressing the Secretary of State on matters of interest to his Government. Consequently, if his Government felt that any useful purpose would be served in so doing, the Minister was at liberty to ask the Secretary to communicate the observations of the Iraqi Government to the respective Governors of the States concerned, and doubtless the Secretary would give the matter careful attention.

Mr. Murray pointed out to the Minister, however, that such action on his part would very likely give rise in certain quarters to the charge that the Iraqi Government was interfering in American internal affairs. Such a charge would probably be made even though the Arabic press in Palestine had already pointed out that, to begin with, American State Legislatures had no business voting resolutions concerning foreign affairs.

In conclusion, Mr. Murray stated that the question the Minister had raised was a very difficult one and that although certain considerations in regard to it had been set forth most informally, it was a matter which the Minister and his Government would have to decide.

As the only Arab diplomatic representative in Washington, the Iraqi Minister obviously felt strongly that the resolutions in question should not be allowed to go unanswered, but was somewhat baffled as to how to proceed.

867N.01/1937 : Telegram

The Consul at Basra (Fletcher) to the Secretary of State

BASRA, August 27, 1943—7 p. m.
[Received August 28—9: 58 p. m.]

122. Following for Alling from Hoskins.

"Your 109."⁹⁰ Am proceeding direct to Cairo by next plane due to arrive there August 29. Before you can receive airmail report from me, I fear leak of information from some Saudi Government source concerning results of my visit. Meanwhile, I have wired Moose asking if, in view of instructions in your cable, he can make sure no news is given out from any Saudi source or, if it is, to inform me in Cairo at once. In view of this possibility would it not be well for me to send you brief report by cable from Cairo which is ready to send.

In this connection I am bringing with me two *aide-mémoires*, one on the subject of my directive and one on Arab federation as well as a personal letter and several verbal messages for the President.

However from your telegram I am not clear whether you still wish me to return to Washington with this material as originally planned

⁹⁰ August 16, p. 804.

or whether you have some other assignment for me prior to my return. Please answer to Cairo.

Also, in view of assistance Mr. Casey⁹¹ rendered me in Cairo, it is going to be somewhat embarrassing to be there without at least giving him the answer to the main question I asked, especially if he gets from some other source the same information as am afraid might happen. Therefore your instructions on this point as well are requested.[⁹²]

FLETCHER

867N.01/1937 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, August 31, 1943—6 p. m.

1255. Following for Colonel Hoskins from Wallace Murray. Your 122, August 27, 7 p. m. from Basra. You are requested not to telegraph a report concerning your visit. We have no other assignment for you prior to your return and consider that since you bear messages for the President you should return without delay⁹² to deliver them and to make your report. We cannot, of course, control what Ibn Saud may see fit to divulge regarding the conversations. You, however, as the bearer of messages from the King to the President cannot with propriety disclose the conversations to a third party until the messages are delivered and the President's directions obtained as to what quarters shall be informed of them. We feel sure that Mr. Casey will understand your position.

It is suggested that you reduce your oral messages to writing in Cairo, and that you (1) leave one copy of them and of your two *aide-mémoires* in the Legation's secret archives, (2) send one copy of each paper to the Department by pouch in a sealed envelope marked "Personal and Strictly Confidential for Alling, Division of Near Eastern Affairs", and (3) bring with you the two *aide-mémoires*. [Murray.]

HULL

867N.01/2009a

Memorandum by Lieutenant Colonel Harold B. Hoskins

CAIRO, August 31, 1943.

(1) In accordance with Secretary Hull's directive of July 7, 1943, I have visited Riyadh and put to His Majesty King Ibn Saud the question requested as to whether he would enter into discussions with Dr. Chaim Weizmann or some representative selected by the Jewish

⁹¹ Richard G. Casey, British Minister of State Resident in the Middle East.

⁹² Telegram No. 1605, September 6, 7 p. m., from the Minister in Egypt reported the departure of Lieutenant Colonel Hoskins (867N.01/1953).

Agency for the purpose of seeking a solution of the basic problems affecting Palestine acceptable to both Arabs and Jews.

(2) During the week in which the King considered the matter I saw him daily. In long conversations he voluntarily outlined fully and frankly his ideas on various subjects. The fact that he could talk to me directly in Arabic, often without any one else present, allowed him, he said, to be more frank than would otherwise have been the case since his best interpreters are not Saudi Arabians by birth. He said he was most anxious to have the President and the State Department know as nearly first hand as possible his ideas and he welcomed a chance to tell them to some one specially sent from Washington who was going back there directly. I therefore had only to be a good listener and make very few comments since he carried on ninety-five percent of the conversation.

(3) His conversations, of which I made full notes, covered the following general subjects:

(a) His domestic problems including his pressing need for silver coins and for an additional two hundred motor cars, both items to be available before the next pilgrimage which begins about the latter part of November.

(b) His relations past and present with various foreign powers.

(c) His relations with each of his neighboring states and his frank estimates of the various political figures in power there.

(d) His ideas on Arab federation. On this subject I wrote a memorandum of our conversation,⁹⁴ with a summary of his ideas as I understood them, that I submitted to His Majesty and to which I received his specific approval.

(4) As from my daily conversations with the King I became increasingly impressed with the certainty of his refusal to meet Dr. Weizmann personally, I thought it advisable to develop more specifically an alternative question to which there might be a favorable response. This second question was as follows: If the King will not meet Dr. Weizmann himself, will he appoint a representative who might meet elsewhere than in Riyadh, perhaps even outside the country, in Cairo, for instance, with Dr. Weizmann or his representative?

(5) At the end of a week the King gave me verbally his answers to the two questions I had put to him and in both instances they were clear and categorical refusals. He expressed again great appreciation at my having been sent to see him and outlined in a most friendly way his reasons in detail for his refusals. These reasons he confirmed in a memorandum⁹⁴ which he handed me at the end of our conversation.

(6) His refusals and his reasons seemed to me entirely consistent with his character and with his policies as he had explained them to

⁹⁴ Not printed.

me during the previous week. They are based on his own religious and patriotic principles and reflect his sound political sense in recognizing clearly his limitations, both spiritual and physical, in this matter. He realizes that, despite his position of leadership in the Arab world, he cannot, without prior consultation, speak for Palestine much less "deliver" Palestine to the Jews, even if he were willing for even an instant to consider such a proposal.

(7) His Majesty went on to explain, he said for the first time to anyone, the reason for his personal hatred of Dr. Weizmann. He said that during the first year of the present world war Dr. Weizmann had impugned his (the King's) character and motives by an attempted bribe of £20 million sterling. Furthermore, the promise of payment, the King was advised, would be guaranteed by President Roosevelt. His Majesty said he had been so incensed at the offer and equally at the inclusion of the President in such a shameful matter that he had never mentioned it again. He now explained it in detail and gave me the name of the intermediary, St. John Philby, so that I could understand more clearly his reasons for having nothing whatsoever to do with Dr. Weizmann or any of his associates.

(8) As a result of my visit I had a chance to become convinced that there has been no change in the attitude of His Majesty toward the Jewish question in Palestine as expressed in his two confidential letters to President Roosevelt under dates of November 19 [29], 1938⁹⁵ and April 30, 1943.⁹⁶ His recent statement to an editor of *Life* magazine merely gave public utterance to what he had already written privately and reflects his sincere opinion from which there will, I believe, be no deviation. Furthermore, he cannot but have realized, by the flood of telegrams and letters of congratulations which he received from Moslems in all parts of the world, that, by his frank and unequivocal statement regarding Palestine, he has gained still greater moral and even political prestige not only throughout the Arab world but among Moslems in Turkey, Russia, India and even China.

(9) The King did not say so, but he clearly has the political acumen to realize that, even if he had no religious convictions on the subject, he still could not afford to support any Jewish claims to Palestine. For in the light of what he has said and written he would by so doing lose the moral and spiritual leadership of Moslems everywhere that he now enjoys.

(10) The conclusion, it seems quite clear from my visit to Riyadh, is that His Majesty's silence in regard to Dr. Weizmann's proposal put to him by Philby has been completely misinterpreted by certain British officials as implying a possible willingness on the part of the King to consider the proposal. Actually I am convinced that there

⁹⁵ *Foreign Relations*, 1938, vol. II, p. 994.

⁹⁶ *Ante*. p. 773.

never was any possibility of acceptance and there is none today. The King may not feel he can prevent by force the establishment of either Palestine as a Jewish State or even a Jewish State in Palestine. He is, however, firmly opposed to both solutions and I see no possibility of his being of any assistance to the Zionists in their efforts to come to terms with the Arabs in Palestine.

(11) In addition to the two written memoranda which I am bringing with me, the King has given me a personal letter ⁹⁷ to the President and has asked me to transmit certain personal messages. Also His Majesty has agreed to our communicating to the British Government the contents of these two memoranda if the President, after he has seen them, desires to do so.

H[AROLD] B. H[OSKINS]

867N.01/1940 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, September 1, 1943—9 a. m.
[Received September 2—2:06 a. m.]

1571. For Alling from Hoskins. In connection my cable August 27 ⁹⁸ from Basra Moose cabled from Jidda on August 30 that Yusuf Yassin on Saturday gave Wikeley detailed account of my discussions in Jidda. Moose said he assumed London probably knew results of my visit already. [Hoskins.]

KIRK

867N.01/1950

The Secretary of State to the Secretary of War (Stimson)

[WASHINGTON,] September 1, 1943.

MY DEAR MR. SECRETARY: I refer to my conversations with you early in August regarding a proposal for the issuance of a joint statement by the American and British Governments regarding Palestine.

As the result of the opinion which you expressed to me on August 5 that the situation in Palestine is not serious enough from a military point of view to warrant the issuance of a statement along these lines, we informed the British Government that in view of this opinion of the War Department no basis exists, so far as the United States is concerned, for issuing the statement, in as much as its sole purpose was to ameliorate a condition which was thought to be dangerous in the

⁹⁷ Not printed.

⁹⁸ Telegram No. 122, p. 806.

military sense. The British Foreign Minister and Minister for the Colonies stated that they were greatly disappointed at this decision.

At Quebec, on August 21, the British handed to us a communication concerning the present situation and outlook with respect to Palestine, a copy of which is enclosed herewith.⁹⁹ I should be grateful if, after reading the British communication, you would let me have your views regarding it.

Sincerely yours,

CORDELL HULL

867N.01/1969

The Secretary of War (Stimson) to the Secretary of State

WASHINGTON, September 10, 1943.

DEAR MR. SECRETARY: I have examined the British communication of August 21st from Quebec concerning the proposed joint United States-British declaration regarding the Jewish-Arab controversy in Palestine. I regret that the British Foreign Minister and Minister for the Colonies are disappointed in the opinion which I have previously expressed. However, I observe nothing in the British representations to cause a change in my views that there is insufficient military basis for the United States to initiate any action with regards to the situation in Palestine. The War Department will not oppose the action of the State Department on the proposed declaration, but, from the standpoint of the War Department, I am still of the opinion that it is unwarranted.

Sincerely yours,

HENRY L. STIMSON

867N.01/1997½

*Memorandum of Conversation, by Lieutenant Colonel
Harold B. Hoskins*

[WASHINGTON,] September 27, 1943.

(1) I had over an hour with the President, during which time he gave me an opportunity to outline in full the results of my mission to Saudi Arabia and to report to him in detail on much of the political information regarding the whole Middle East that King Ibn Saud had given me. During the course of our conversation the President read the letter that the King had sent to him and also the *aide-mémoire*¹ given to me by the King which outlined in detail the reasons of the King for being unwilling to meet Dr. Weizmann or anyone connected with the Jewish Agency. I also showed to the President photographs of the presentation of the Jeep and of the

⁹⁹ *Ante*, p. 804.

¹ Neither printed.

Walkie-Talkie to the King, as well as photographs of the irrigation project at el Kharj, 75 miles south of Riyadh.

(2) The President expressed understanding of the King's refusal to see Dr. Weizmann in view of the attempted bribe that had been made. The President also expressed surprise and irritation that his own name as guarantor of payment had been in any way brought into this matter since there was of course no basis in fact for doing so. The only suggestion that the President had ever made that even bordered on this subject was, he said, in a talk that he had had with Dr. Wise² several years ago in which he had suggested that if the Jews wished to get more land in Palestine they might well think of buying arable land outside of Palestine and assisting Arabs financially to move from Palestine to such areas.

(3) The President seemed much interested in learning of the wide grasp of world affairs that the King had obtained in considerable part at least through his radio monitoring service whereby he is kept informed several times a day of what the radio in various Axis and Allied countries is saying. Mr. Roosevelt also was advised in regard to various facets of the King's character, especially his fundamental honesty and his deep religious sincerity as well as his sound recognition of his own limitations in dealing with any matters outside of Saudi Arabia. At the same time I pointed out that the King's moral leadership extended not only throughout the Arab world but throughout the whole Moslem world as well. Furthermore, his standing had grown even greater in recent months as a result of his forthright statement to the editor of *Life* magazine regarding Palestine and the Jewish problem.

(4) As to the Jewish refugee problem the President mentioned the fact that he had been receiving an increasing amount of information that indicated that many European Jews after the war would not care to migrate to Palestine but would prefer to return to their countries of origin in Europe. This of course was based on the assumption that in returning to the countries where they had lived before the war these Jews would be assured of security for themselves, their property and their belongings. Because of this situation as well as because of the large number of Jews that have been massacred by the Axis, the President felt that the number of Jews pressing to enter Palestine after the war may be substantially less than was originally anticipated.

(5) As to Jewish refugees who may wish to move out of Europe the President said that he was still working on the possibility of at least a certain number of them being settled in the trans-Andean portions of Colombia in South America.

² Dr. Stephen S. Wise, American Zionist leader.

(6) In regard to Palestine, the President seemed well informed on the complications with the Arabs not only in Palestine but throughout all the Middle East if a Jewish State were established in Palestine. I had the opportunity to emphasize again what he had already been told—that the establishment of a Jewish State in Palestine can only be imposed by force and can only be maintained by force. The President pointed out that there was no agreement between the Zionists and the non-Zionists in regard to the number of additional settlers that Palestine could absorb. He realized, however, that any substantial number of additional Jewish settlers on the land in Palestine can at best only be accomplished slowly and only after further considerable expenditures of time and money.

(7) As to a solution of the Palestine problem, the President stated that his own thinking leaned toward a wider use of the idea of trusteeship for Palestine—of making Palestine a real Holy Land for all three religions, with a Jew, a Christian, and a Moslem as the three responsible trustees. He said he realized it might be difficult to get the agreement of the Jews to such a plan but if Moslems and Christians of the world were agreed he hoped the Jews could also be persuaded. This concept to be successful would, he also realized, have to be presented as a solution larger and more inclusive than the establishment of an Arab State or of a Jewish State. He realized that this idea of course required further thought and needed to be worked out in greater detail, but at least that was the line along which his mind was running.

(8) I said I believed that the Arabs could probably be brought to agree to such a plan if proper assurances were given them by both Great Britain and the United States that Palestine would never under any circumstances become a Jewish State. The Arabs, I explained, feared that any further substantial increase in the number of Jews in Palestine was simply a first step toward making the Jews a majority in Palestine. The next step might then be a further change in policy that would give to the Jews control over the Arabs in Palestine. This the Arabs were of course entirely unwilling to agree to. In this connection I referred to the proposed statement regarding Palestine that both he and the British Government had approved as giving to the Arabs the kind of assurance they desired. In answer, the President stated that he did not expect this statement would be issued as, I understood him to say, that both governments had now withdrawn their support of it.

(9) As to the United States political set-up in the Middle East I outlined the fact that we did not always have a coordinated political policy because our American ambassadors and ministers tended to think primarily in terms of American relations to the country to which each was accredited. The result was that at times there was

a lack of a regional or area point of view in regard to various problems that extended over the whole Middle East area and beyond the confines of any one country. For example, I pointed out that an intelligent American policy in regard to the Moslems should be framed not simply in the light of conditions in any one state in the Middle East but should include consideration of Moslem attitudes in neighboring Middle Eastern States as well as in North Africa, India, and even Russia and China. I said that the recent appointment of Mr. Landis³ with the personal rank of minister to deal with economic problems of the Middle East area was an excellent first step and I hoped that a similar step on the political side could also be taken.

(10) The President inquired regarding the position and influence of Prince Feisal on the foreign policy of Saudi Arabia so that he might be guided accordingly in his conversations with the Prince on Thursday, September 30.⁴ I explained that, although the Prince was Foreign Minister in name, actually King Ibn Saud kept in his own hands all matters of foreign policy. In this regard I pointed out that, for example, during my recent visit to Riyadh, all my conversations had been with the King alone, although no doubt Prince Feisal was later informed of what occurred.

(11) The President suggested that he would like to talk to me further after he had seen Prince Feisal on Thursday and said he would get in touch with me at that time.

867N.01/1898: Telegram

The Acting Secretary of State to the Ambassador in the United Kingdom (Winant)

WASHINGTON, October 1, 1943—10 p. m.

6063. Department's 4767, August 7, 5 p. m. and your 5235, August 10, 4 p. m. Please inform the Foreign Office of our understanding that agreement was reached at Quebec to review from time to time the question of issuing a joint statement in regard to Palestine. We have no new suggestions to offer at the moment, although we are aware of the delicacy of the situation resulting from the outcome of the arms trial in Palestine, the resolution on Palestine adopted by the recent American Jewish Conference, et cetera.

The Foreign Office will, we think, be interested to know that a copy of the British memorandum on Palestine dated August 21 which was handed to us at Quebec was communicated to the Secretary of War

³ James M. Landis, American Director of Economic Operations in the Middle East, and principal American civilian representative at the Middle East Supply Center, Cairo; for correspondence regarding decision of the United States in 1942 to participate with the British in the operations of the Middle East Supply Center, see *Foreign Relations*, 1942, vol. iv, pp. 1 ff.

⁴ For correspondence relating to the visit of Amir Faisal, see pp. 840 ff.

who has replied expressing regret that the British Foreign Minister and Minister for the Colonies are disappointed in the opinion previously expressed by him. The Secretary of War observes, however, that the British representations have not caused him to alter his view that there is not sufficient military basis for the initiation of any action by the United States respecting the situation in Palestine. While the War Department will not oppose action by the Department of State on the proposed declaration, the Secretary of War remains of the opinion that it is unwarranted from his standpoint.

BERLE

867N.01/2007⁴

*Memorandum by the Under Secretary of State (Stettinius) to President Roosevelt*⁵

WASHINGTON, October 7, 1943.

In view of the confidential nature of Colonel Hoskins' recent mission to see the King in Saudi Arabia, he was asked on completion of his mission to return to Washington and to deliver his report to you in person. As a result of following this procedure, his mission was accomplished with a minimum of publicity or leakage, and at the same time a more complete picture of the situation in Saudi Arabia was obtained.

You will recall that on June 29 when the British Foreign Office was informed of the purpose of Colonel Hoskins' mission to Saudi Arabia they asked specifically that they be "fully informed of the tenor and outcome" of his mission. As yet we have given them no information.

I believe that the most satisfactory procedure for informing the British will be for Colonel Hoskins to proceed to London and to give to Mr. Churchill and to the Foreign Office at first-hand the results of his mission. Also, while he is there, he can see Dr. Weizmann and inform him of King Ibn Saud's answer.

May I have your approval to this procedure?

E. R. STETTINIUS, JR.

867N.01/2068

*Memorandum by the Adviser on Political Relations (Murray)*⁶

[WASHINGTON,] October 15, 1943.

As you may be aware, the President, in a recent conversation with Colonel Harold B. Hoskins after his return from Saudi Arabia, where

⁴ Notation on the original: "ERS OK FDR."

⁶ Addressed to the Assistant Secretary of State (Berle) and the Acting Secretary of State (Stettinius). Notation by Mr. Berle: "I think this better await the Secretary's return. It is pretty serious." Secretary Hull was at this time en route to Moscow to participate in the Conference of Foreign Ministers, held October 18–November 1; for correspondence on this Conference, see vol. I, pp. 513 ff.

he was sent by the President on a confidential mission, indicated that, as a solution of the Palestine problem, his own thinking at present leans toward the idea of a trusteeship for Palestine which would make that country a real holy land for all three religions, with a Christian, a Moslem and a Jew as the three responsible trustees.

I think you will find of very considerable interest the attached memorandum⁸ based on the President's idea of a solution to the Palestine question prepared by Mr. Gordon Merriam, Assistant Chief of the Division of Near Eastern Affairs.

It seems to me that the President's present suggestion of a solution of the Palestine problem is particularly timely . . .

WALLACE MURRAY

867N.01/2068

Memorandum by the Assistant Chief of the Division of Near Eastern Affairs (Merriam)

[WASHINGTON,] October 15, 1943.

PALESTINE QUESTION

The following is taken from a memorandum by Colonel Harold B. Hoskins of a conversation he had with the President on September 27, 1943:

"As to a solution of the Palestine problem, the President stated that his own thinking leaned toward a wider use of the idea of trusteeship for Palestine—of making Palestine a real Holy Land for all three religions, with a Jew, a Christian, and a Moslem as the three responsible trustees. He said he realized it might be difficult to get the agreement of the Jews to such a plan but if Moslems and Christians of the world were agreed he hoped the Jews could also be persuaded. This concept to be successful would, he also realized, have to be presented as a solution larger and more inclusive than the establishment of an Arab state or a Jewish state. He realized that this idea of course required further thought and needed to be worked out in greater detail, but at least that was the line along which his mind was running."

It is apparent from the foregoing that the President is aware that for the time being, at least, the development of Palestine along normal "A" Mandate lines is impossible due to the two strongly competing nationalistic movements there present. Since development along national lines is stultified, he turns to a religious basis or framework for a solution.

⁸ *Infra.*

PS⁹ has gone into the question of the internal administration of Palestine, and it is suggested, particularly in view of the President's interest, that PS may now desire to consider how the basic relationship of Palestine to the rest of the interested world can be worked out in a satisfactory way.

NE¹⁰ believes that the conclusion implicit in the President's remarks—that the handling of Palestine as an "A" Mandate has been a failure and will continue to be a failure if persisted in under existing circumstances—is entirely sound. His thought that Palestine be viewed in a religious rather than a political light may also be sound and at any rate is thoroughly worth exploring. Certainly the Christian (numerically the greatest) interest in Palestine, taken as a whole, is in the main religious. There is more alloy in the Moslem religious interest, but it is probable that the Moslem and, specifically, Arab political interest in Palestine, which furnishes the base metal, is more defensive against Zionist political ambitions than aggressive furtherance of Arab political ambitions. As to the Jews, while the Zionists are much heard from at present, that is because of the compassion felt for the Jews in Europe, and there is ground for believing that even now the main interest of most Jews in Palestine is religious and humanitarian, not political.

However, the governing of Palestine is a political, not a religious, job, and the normal and effective expression of interested outsiders toward Palestine is through governments. The Jews, being unamalgamated and a minority everywhere, are an exception. They cannot express themselves effectively as Jews through a government (though they frequently try to do so) but only through their own lay and religious organizations, which overlap and compete. The "mechanics" of expressing the Jewish attitude towards Palestine or even of the various Jewish attitudes toward Palestine thus presents a difficult problem.

With a view to outlining a basis for thought and discussion, the following suggestions are offered:

1. Great Britain to remain the mandatory power for Palestine.

While the British have incurred a good deal of criticism for their handling of Palestine, there are three points in favor of their continuing to do so which seem impressive: (a) The trained administrative personnel of some one country is required to handle the exceptionally difficult job of governing Palestine. So much pulling and hauling for political and other reasons would occur in any international administration that it would be almost certain to fail; (b) With all the mistakes of the British, no other country is in sight,

⁹ Division of Political Studies.

¹⁰ Division of Near Eastern Affairs.

including our own, which would be likely to do a better job in Palestine; (c) The British have learned a great deal by their experience of the past twenty years in Palestine.

2. The present conception of the Mandate for Palestine—preparation for independence—is to be abandoned until such time as the basic conditions in Palestine are far more propitious for independence than is now the case. Instead, Palestine is to be regarded primarily, for the time being, as a sacred repository of the interests of Christianity, Islam, and Judaism.

3. The basic responsibility for Palestine is to be removed from the League of Nations and reposed in interested Christian and Islamic nations and the Jews.

Great Britain would operate the mandate under the new conception, using Palestinians as much as possible in the work of governing. The economic development of Palestine would be encouraged, but not in derogation of the rights of any of the inhabitants. The development of the inhabitants along the road of common Palestinian interests in all fields and of a common Palestinian consciousness would be encouraged and the ultimate goal of independence would be kept constantly in sight and worked for, but the mandatory would not, as at present, be under legal obligation to hurry the pace.

4. Palestine to be opened up to Jewish immigration to the extent of its economic absorptive capacity, except that the number of Jews in Palestine is not, by reason of immigration, to exceed the number of Moslems there at any given time.

This would open up Palestine to about 500,000 Jews, which is the upper figure cited by such careful students of the problem as Dr. Nelson Glueck, of European Jews who will have to be taken care of outside Europe. If that number cannot be absorbed quickly, temporary provision for them could be made in Libya, for example. Of course, if it is not necessary to put 500,000 more Jews in Palestine, it would make things that much easier all around. As the Zionists wish for political reasons to place as many Jews in Palestine as possible, it will be necessary to see to it that European Jews are not dragooned into emigrating to Palestine in excess of the emigration that is absolutely required by their situation.

5. Transjordan to be released from mandate status and to form an independent Emirate presumably in treaty relations with the British and with adequate treaty safeguards for the United States and possibly other countries. Transjordan would have a customs union with Palestine or free-port and free-transit facilities there, but would be free to make political combination with one or more neighboring Arab states. It might be feasible to attach Transjordan to Syria and the Lebanon in the near future.

6. The following has to do with the basic responsibility for Palestine and suggests an arrangement for replacing the existing (on paper) League of Nations-Mandate Commission framework.

A body representing those nations which manifest a legitimate interest in Palestine and the Jews, will sit permanently in Palestine. The mandatory is to report to this body, at stated intervals and in response to the body's specific requests which may be made at any time. Such reports and the body's recommendations, if any, to be transmitted to the member nations and Jewish organizations. Complete suggestions for the body's duties and privileges towards the mandatory and the member nations need, of course, further elaboration which is not attempted here.

Considering that there are in the world some 585,000,000 Christians, 220,000,000 Moslems, and 15,000,000 Jews, the body might have a membership of 6, consisting of 3 Christians, 2 Moslems, and 1 Jew. Each appointment might be for two years, one year for the appointee to learn his job and one year in which he could be really useful. As to the Christian appointees, one would be appointed by a predominantly Catholic country among the interested nations, one by a predominantly Protestant country, and one by a predominantly Orthodox country. The turn of each country to appoint one of its nationals would be reached by rotation in each group. The British Government would not appoint a representative (Protestant) but the self-governing Dominions would be included in the rotation of Protestant countries.

If it were desired to reflect the numbers of communicants more accurately, the body could consist of 6 Christians, 2 Moslems, and 1 Jew. There are about 338 million Roman Catholics, 135 million Protestants, and 128 million Orthodox. There might therefore be 3 representatives from Catholic countries, 2 from Protestant, and 1 from Orthodox. As the Catholics would be somewhat under-represented, they could perhaps be compensated by having permanent representation from the Vatican in one of the Catholic seats.

As to the Moslem appointees, instead of having differentiation on a sectarian basis, relative propinquity to Palestine and hence relative economic and political, as well as religious, interest in Palestine might form the basis. Thus one appointment could be from the group Syria-Iraq-Saudi Arabia-Egypt in rotation; the other appointment from the more outlying Moslem countries such as Turkey, Iran, Yemen, Afghanistan, India (a Moslem to be chosen by the Government of India), North Africa (a Moslem to be chosen or approved by the French).

One Jew representing, in rotation, Zionists, non-Zionists, and anti-Zionists. There may be a better basis of differentiation amongst the elements of the Jewish world but at the moment the foregoing appears

to reflect the major attitudes of Jewry toward Palestine. The Zionists, at the present time, have a world organization to select the Zionist representative; the non-Zionists and the anti-Zionists do not. But, as each group would be called upon to make an appointment only once every six years, it might not be too much to expect that *ad hoc* arrangements could be made. The Jewish Agency could continue to be the mouthpiece of Jewry with respect to the Government of Palestine, as at present.

The British Government might appoint an Englishman to preside over the body, but he would have no vote except in case of a tie. Decisions would be reached in the body by majority vote.

7. Broadly speaking, the advantages of some such arrangement as the foregoing would appear to be as follows:

All of the religious interests concerned would be represented in a more logical and a fairer manner than is now the case.

Direct impact of pressure groups would be taken off the mandatory and individual countries such as our own. If a group were dissatisfied, its complaints would be to the body in Palestine which is always there to consider them. If the complaining group were in Palestine, the complaint would be submitted directly to the body. If the complaining group were outside Palestine, its complaint would be transmitted to the body through the government of the country where the complaint originated, to the proper representative on the body in Palestine, who would lay it before the body as a whole, which after considering the matter and making its investigations, inclusive of hearing the explanation of the mandatory, would take appropriate action; i.e. either reply that the complaint was unjustified or adjusted; or, if some major remedy seemed to be required, the matter could be submitted to all of the interested nations and to the Jewish organizations for decision by the majority of them.

The arrangement would have this advantage for the Jews: if, for example, a Zionist were sitting on the body and American non-Zionists did not like the way things were going, they could take their choice of presenting their complaints through the Zionist representative in Palestine or, through the United States Government, to the Protestant representative there.

In short, all complaints and suggestions relating to Palestine would first be sifted by the body in Palestine; and if it by majority vote considered that a remedy was required, it would submit the matter to the majority opinion of all the nations interested in Palestine and to the representative Jewish organizations, whereupon the mandatory would be appropriately instructed and would be bound to give effect to the directive. Alterations in the terms of the mandate might be similarly handled. We could cooperate and at the same time protect our position by suspending our existing treaty with respect to Pales-

tine (after first making sure that the terms of the new mandate give us what we want), thus ensuring the maintenance of our rights if the new mandate breaks down or if Palestine eventually achieves independence.

867N.01/20104

Memorandum by the Acting Secretary of State to the Adviser on Political Relations (Murray)

[WASHINGTON,] October 23, 1943.

MR. MURRAY: I have read with interest your memorandum of October 15 relative to the President's idea that possibly Palestine should be handled on a trusteeship basis. He also mentioned that to me once briefly in conversation. I am inclined to think that detailed consideration of this should await the Secretary's return, but in the meantime I shall, if I have an opportunity, attempt to get from the President more background on his thinking on this.

E[DWARD] S[TETTINIUS]

867N.01/20104

Memorandum by the Acting Secretary of State to the Assistant Secretary of State (Berle)

[WASHINGTON,] October 23, 1943.

DR. BERLE: I agree with your suggestion that detailed consideration of the President's thought of possibly handling Palestine on a trusteeship basis should await the Secretary's return. The President also mentioned this idea to me briefly once in conversation and if an appropriate opportunity arises I may in the meantime attempt to get from him a little more background as to his thinking on this.

E[DWARD] S[TETTINIUS]

867N.01/1868: Telegram

The Acting Secretary of State to the Ambassador in the United Kingdom (Winant)

WASHINGTON, October 28, 1943—9 p. m.

6754. Colonel Hoskins has returned from his trip to Saudi Arabia, reference your cable 4286, June 29, and has reported in detail to the Department and to the President on the results of his mission and on other information that he collected during his visit.

In his letter to you dated June 29 Mr. Eden expressed a wish that the British Government might be "kept most fully informed as to the tenor and outcome" of Colonel Hoskins' mission. The President has approved my suggestion that Colonel Hoskins visit London so as to give in person and in such detail as may be desired the results of his

visit to the Prime Minister and to other British officials interested. Please advise the Foreign Office of Colonel Hoskins' prospective visit and assist him during his stay in London.

STETTINIUS

867N.01/2068

Memorandum by the Under Secretary of State (Stettinius) to the Secretary of State

[WASHINGTON,] November 26, 1943.

THE SECRETARY: I enclose for your information Mr. Wallace Murray's memorandum of October 15 and Mr. Merriam's memorandum of the same date on the Palestine question.¹¹ These memoranda relate especially to the suggestion which the President has made both to Colonel Harold B. Hoskins and to me that perhaps a solution to this problem would be a trusteeship by means of which Palestine would be made into a real holy land for all three religions by having trustees of the three faiths—Christian, Moslem and Jewish.

I am considerably impressed by the President's philosophy on this problem as expressed in the enclosures. I should greatly appreciate your reaction to it. Do you feel the Department should favor this approach, and, if so, I am wondering if you think we should do anything to implement the idea now such as having preliminary discussions on it with the British or do you think such steps should await the termination of the war?¹²

E[DWARD] S[TETTINIUS]

867N.01/2056

Memorandum of Conversation, by the Assistant Secretary of State (Long)

[WASHINGTON,] December 9, 1943.

Dr. Nahum Goldmann¹³ came to see me today at his own request. He took up with me several matters relating to the Jewish difficulties and then gave me the following information:

Dr. Weizmann in London had been in direct contact with the Prime Minister. The meeting was arranged through General Smuts¹⁴ who

¹¹ *Ante*, pp. 815 and 816, respectively.

¹² No record has been found in the Department's files of Secretary Hull's reaction to this memorandum. He does, however, in his *Memoirs*, vol. II, p. 1534, make the observation that ". . . the impossibility of bringing the Jews and Arabs together on a common, friendly ground at that time, and the danger of stirring the sands of the Near East by a premature attempt to settle the question of Palestine made it wiser to postpone action until a more propitious time."

¹³ Dr. Goldmann was at this time head of an office which had been established in Washington by the Jewish Agency for Palestine, to which the Department had accorded no recognition; see memorandum by the Adviser on Political Relations, May 26, p. 787.

¹⁴ Jan Christian Smuts, Prime Minister of the Union of South Africa.

has long been a friend of Zionism. At the conference Mr. Churchill stated that he had not changed at all in his attitude toward Zionism. He had not changed at all in his attitude toward the White Paper. He was certain that some adjustment of the matter should be made. It was a question of timing. The question was presented further whether some change of policy should be made during the war or whether the matter should be postponed for determination after the war. That was a question which had to be decided but the fact that there must be a change of British policy in Palestine was definite in his mind.

Furthermore the present British representative in Palestine had not been friendly to the Jewish cause. It had been decided that when his term expired next May he would not be reappointed. Dr. Weizmann had been assured to that effect by the Prime Minister.

B[RECKINRIDGE] L[ONG]

867N.01/2056

Memorandum of Conversation, by the Secretary of State

[WASHINGTON,] December 13, 1943.

The British Ambassador¹⁵ called at my request. I proceeded to refer to certain phases of the Jewish relief situation and particularly to the provision of the White Paper^{15a} relating to the discontinuance of immigration into Palestine after March 31, 1944. I said that, of course, this Government has been exerting itself in every possible way, both individually and collectively, to render every possible aid and relief to the Jewish people in connection with their persecutions, and in connection with every and all kinds of injuries inflicted upon them by Germany and other enemies, particularly during the period of the present war. I said that, of course, this Government has not only thus striven to be of aid, but it has been sympathetic with any and all efforts of groups of individuals and other governments to give aid and comfort to the Jewish people; and that this relates to the complaint by the Jews of the threatened termination by the British Government of the immigration provisions of the MacDonald White Paper on next March thirty-first. I continued by saying that the President and myself, and other officials of this Government, in the light of our international interest in the Jewish situation, based primarily on the residence and citizenship of some five million Jews in this country, are in earnest sympathy with the proposal of the Jews that the immigration provisions be extended by the British Government beyond March

¹⁵ Lord Halifax.

^{15a} See British Cmd. 6019: *Palestine, Statement of Policy*, issued by the British Colonial Secretary, Malcolm MacDonald, May 17, 1939. See also *Foreign Relations*, 1939, vol. iv, pp. 750 ff.

thirty-first, and that in every other possible way, relief and aid be given to the Jewish people. I concluded by saying that I was desirous of talking freely with the British Ambassador on these matters, and that I would appreciate anything he might say that would be helpful in the premises.

The Ambassador said he could understand the situation of this Government with respect to the question in regard to the White Paper to which I had referred, and as to our sympathy with the Jewish request that the immigration provisions not be terminated on March thirty-first. He then added that his Government found that there were more than thirty thousand Jewish people entitled to go into Palestine before March thirty-first under the provisions of the White Paper, and that his Government had agreed or was in the act of agreeing that these thirty thousand might come in after March thirty-first, the date of the expiration of the immigration provisions aforesaid. The Ambassador then said that Mr. Churchill had always supported the Balfour declaration and its operation, and had been opposed to the MacDonald White Paper. I thereupon handed him a copy of the conversation between Mr. Breckinridge Long, Assistant Secretary of State, and Dr. Nahum Goldmann upon this subject of the White Paper, on December 9, 1943, copy of which is attached.¹⁶ The Ambassador then repeated what he had said about Mr. Churchill's attitude; he took no issue with the statement of Dr. Goldmann to Mr. Long. Dr. Goldmann rested his statement mainly upon a quotation from Dr. Weizmann in London, who was understood to have been in recent direct contact with the Prime Minister.

I emphasized repeatedly to the Ambassador that in harmony with the past course, attitude and activities of this Government to aid in every possible way in Jewish relief and assistance, we could not help but be thoroughly sympathetic with the Jewish request not to terminate the immigration provisions of the White Paper on March thirty-first, and that the only question is how I could best define the attitude of this Government publicly without seriously embarrassing the British in dealing with the military situation. I emphasized that it was difficult to keep this matter from reaching the public much longer, and that it is only being kept confidential on account of military considerations and its probable or possible effect on them. I said that I should like to make public reference to what we have talked about, namely that this Government is deeply interested in the phase of the MacDonald White Paper already pointed out.

The Ambassador then proceeded to speak, off the record, for two or three minutes.

C[ORDELL] H[ULL]

¹⁶ *Supra*.

S67N.01/2286

*Memorandum of Conversation, by Lieutenant Colonel
Harold B. Hoskins*

[WASHINGTON,] December 14, 1943.

Participants: U—Mr. Stettinius
 A—B—Mr. Berle
 A—L—Mr. Long
 PA/M—Mr. Murray
 NE—Mr. Alling
 NE—Colonel Hoskins

At Mr. Stettinius' request Colonel Hoskins, based on his recent trip to the Middle East and to the United Kingdom, gave the highlights on the situation and prospects in Palestine as indicated by the headings in the outline attached.

After the situation in Palestine and in London had been reviewed there followed a discussion of the situation in the United States and particularly in Washington. Mr. Long referred to certain domestic political complications in dealing with this subject during the coming months and the consequent necessity of moving very carefully.

Then followed a discussion as to the scope and location of the conversations on Near East matters that had been suggested by the Foreign Office and of the invitation that had been issued to Mr. Murray to visit London.¹⁷ Mr. Murray mentioned the preference of the Secretary that such conversations should take place in Washington rather than in London.

It was agreed (1) that no further steps could be taken until after the President's return¹⁸ and (2) that, after the necessary information from the President had been received in regard to any conversations on Palestine that he may have had with the Prime Minister, the Under Secretary would then call together the above group for a further discussion of the suggestions made in Colonel Hoskins' report.

[Annex]

HIGHLIGHTS REGARDING PALESTINE

By Lt. Colonel Harold B. Hoskins, A.U.S.

I. *Basis of my Report and Conclusions*

Two trips to Middle East and one to London during past year—
over seven months' travel.

¹⁷ For correspondence regarding the British request to hold conversations on problems of the Near and Middle East, see pp. 6 ff.

¹⁸ President Roosevelt had been attending the Conferences at Cairo and Tehran; he returned to Washington on December 16. For correspondence concerning these Conferences, see *Foreign Relations, The Conferences at Cairo and Tehran, 1943*.

First-hand conversations with Arab and Jewish leaders, with British officials in Middle East and London, and with American Government Officials in Middle East and Washington.

II. *Summary of Present Situation*

A. *In Palestine*

- (1) Increased tension on both sides
 - arming and arms trials
 - minor outbreaks despite armed forces
- (2) No indications of any compromise by leaders, either Arab or Jew; I've talked to both.
 - Irreconcilable conflict between Arab desire for independence and Zionist desire for a Jewish State.
- (3) No signs of amicable cooperation between the Arab and Jewish people in Palestine or in neighboring Arab States. This confirms major conclusion of Royal Commission of 1937 as given in their 400-page report.¹⁹
- (4) Today, though lack of cooperation since 1937 confirmed, main change is that the shoe is on the other foot—today the Arabs are afraid of the Jews. This is the significant change from 1937.
- (5) Palestine Arabs more restless because of growing independence of Arabs in surrounding countries.

B. *In London*

- (1) Uncertainty and indecision in War Cabinet opinion—as indicated by Law's luncheon for me.
- (2) Constant Jewish Pressure on government and public opinion—Weizmann, Namier, *Manchester Guardian*.
- (3) Realization of Need for Decision
 - leaning toward partition as ultimate solution—an Arab State, a Jewish State and Holy Places
- (4) Recognition by British of increasing permanent interests of United States in Palestine and Middle East.
- (5) Desire for Anglo-American conversations and for Anglo-American cooperation.

C. *In Washington*

- (1) Increasing Zionist political pressure, I gather, on State Department, Congress and leaders of both political parties.
- (2) Desirability of Anglo-American conversations in Washington if not London re Middle East problems.

¹⁹ British Cmd. 5479, July 1937.

- (3) Advisability of making some decisions on American policy toward Middle East if possible, so as to clarify and assist position of our diplomatic representatives in the field.

III. *Next Steps*

- (1) Conferences within State Department and with War and Navy Departments, aimed at clarifying our own minds as to proper United States policy in the Middle East.
- (2) Followed by conferences with British re possibilities of agreement on Anglo-American policies to apply in Middle East.

(a) *for war period*

Anglo-American declaration re Palestine or regional declaration aimed at preventing a blow-up between Arabs and Jews in Palestine, and at postponing discussions and decisions re Palestine till war is won.

(b) *for postwar period*

Agreement on joint Anglo-American policy to be applied in Middle East to extent American interests warrant and American strength will support enforcement.

867N.01/2072½

Memorandum of Conversation, by the Secretary of State

[WASHINGTON,] December 22, 1943.

The British Ambassador called at his request and handed me a memorandum on Palestine²⁰ in response to a recent request for further information and explanation of the British position in regard to the White Paper, in order that this Government might make public some of the conversations had with the British Government in regard to this subject. The Ambassador submitted a suggested draft of a statement that I might make, as follows:

“United States Government, having regard to the fact that there are something like 4 million Jews in the United States, are particularly interested in problems concerning the present plight of the Jews and are giving close and constant attention to all proposals that seem likely to alleviate the Jewish lot or contribute to solving their special problems. One problem is that of Palestine and this too, though its Government and its security are a British and not an

²⁰The papers quoted below are the only ones attached to this memorandum of conversation. The draft statement may be the memorandum meant.

American responsibility, is receiving close attention and it is Mr. Hull's constant hope that an eventual solution will be found that would benefit all Palestine's inhabitants, Arabs and Jews alike. If interested Jews and Arabs within Palestine's borders and without could reach a friendly understanding through their own efforts, this would be beneficial to the United States."

I said that this was not quite definite enough; that I would like to take it and see what I could develop and then possibly show it to him a little later.

I then requested him to hand me a copy of his memo of our conversation on this matter which he sent to his Government some days ago. He did so and the memo read as follows:

"2. The sort of thing he had it in mind to say was. Begins. That United States Government and His Majesty's Government were of course at one in their feeling of sympathy for the cruelties to which the whole Jewish race had been subjected and that one of the purposes of victory in this war was to secure justice for Jews. As to Palestine, this was of course within the responsibility of His Majesty's Government but the United States Government, having regard to the fact that there was something like four million Jews in the United States could naturally never be disinterested in the problem, and were following with close and constant attention all facts and factors that affected it. More than this he could not at present say. Ends."

(This does not mean necessarily that I subscribe to all that he said in his attempt to quote me.)

867N.01/20714

The British Ambassador (Halifax) to the Secretary of State

WASHINGTON, December 23, 1943.

DEAR MR. HULL: During our conversation yesterday on the subject of Palestine I showed you a telegram from Eden in which he expressed the hope that you might perhaps feel able to do something to dissuade the Zionist leaders here from the course of action they are now pursuing. You said that I might send you a copy of what he said on this point.

The relevant extract was as follows:

"Since Mr. Hull has consulted us I think we should take the opportunity to express our candid view that in the long run it would be advantageous to all parties if, apart from a public statement, he felt able to warn Zionist leaders of the dangers of their present policy. Mr. Hull will have seen reports stressing the grave danger of an outbreak of violence in Palestine if the Zionists press their maximum demands. We hope therefore that Mr. Hull using his great prestige will be able to see Zionist leaders and warn them of the disaster that they may bring on the Jews in Palestine and the damage they may

cause to the common war effort if their attitude continues strident and provocative.

“Possibly the President on his return will be reporting to Congress publicly or privately about his journey. If he could say something about the recent tension in the Eastern Mediterranean (not solely in Lebanon²¹) and the necessity for opinion in the United States to look at the Middle East area as a whole, that might also be most useful. The mistake extreme pro-Zionists make is in treating Palestine in isolation not as a part of the Arab world as a whole.”

I am sure that if it were possible for the President and yourself to say something in this sense, it would be of the greatest value.

HALIFAX

²¹ For correspondence regarding the attitude of the United States toward the constitutional crisis in Lebanon, see pp. 953 ff.

SAUDI ARABIA

APPOINTMENT OF A MINISTER RESIDENT TO SAUDI ARABIA

124.90F/31a

The Secretary of State to President Roosevelt

WASHINGTON, March 30, 1943.

MY DEAR MR. PRESIDENT: I consider that existing circumstances render it highly desirable to elevate the status of our Chargé d'Affaires ad interim at Jidda, Saudi Arabia to that of Minister Resident.¹

It may be recalled that one of the largest oil reserves in the world is located in Saudi Arabia where an American company² has a concession giving it access to these reserves. In view of the rapid decline of the oil resources of the United States, the War and Navy Departments are interested in obtaining military and naval reserves in the ground in Saudi Arabia.^{2a} Close attention is being given to means whereby an arrangement can be made to secure such reserves and it is expected that negotiations to this end will be conducted with King Ibn Saud³ in the comparatively near future.

The War Department, which has secured certain fly-over privileges in Saudi Arabia, has evinced an interest in obtaining aircraft landing rights in that country. The Legation at Jidda, therefore, may be requested to conduct negotiations with the Saudi Arabian authorities in the near future with respect to such landing rights.

King Ibn Saud, of course, is one of the leading personalities of the Arab world and he exerts a great deal of influence upon the Arab countries of the Near East, where American troops are stationed. In order to secure the support of these Near Eastern peoples in the prosecution of the war, it is considered advisable to enhance the prestige of the American diplomatic representative at Jidda.

I recommend for your consideration, for appointment as Minister Resident to Saudi Arabia, **Mr. James S. Moose, Jr., a Foreign Service**

¹ For correspondence relating to the establishment of the Legation at Jidda in 1942, see *Foreign Relations, 1942*, vol. iv, pp. 559 ff. Under arrangements made at that time the Mission was organized with the Minister in Egypt (Kirk) accredited also to Saudi Arabia, resident in Cairo, with a permanent Legation staff at Jidda in charge of James S. Moose, Jr., Second Secretary of Legation.

² The California Arabian Standard Oil Company.

^{2a} For correspondence regarding this subject, see pp. 921 ff.

³ Abdul Aziz ibn Saud, King of Saudi Arabia.

officer of Class V, now serving as Chargé d'Affaires ad interim at Jidda. Mr. Moose is a Near Eastern language officer with a speaking and reading knowledge of Arabic and a thorough understanding of Near Eastern customs and problems. His biographical sketch is enclosed.⁴

Faithfully yours,

CORDELL HULL

123 Moose, James S./417 : Telegram

The Secretary of State to the Chargé in Saudi Arabia (Shullaw ⁵)

WASHINGTON, April 14, 1943—5 p. m.

13. The President desires to appoint Mr. James S. Moose, Jr. to act as Minister Resident to Saudi Arabia.

Please ascertain whether Mr. Moose's appointment would be agreeable to the Government of Saudi Arabia and telegraph reply.

HULL

123 Moose, James S./418 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, April 14, 1943—5 p. m.

536. Personal for the Minister. For your information the President desires to appoint Mr. James S. Moose, Jr. to act as Minister Resident to Saudi Arabia and has instructed the Legation at Jidda to request Mr. Moose's *agrément*.

HULL

123 Moose, James S./421 : Telegram

The Chargé in Saudi Arabia (Shullaw) to the Secretary of State

JIDDA, April 23, 1943—2 p. m.

[Received 4:54 p. m.]

32. Referring to Department's 13, April 14, 5 p. m. Following is my 26, April 23, 1 p. m. to Cairo:

King approves designation Moose as Minister Resident and expresses pleasure in appointment.

Repeated to Department.

SHULLAW

⁴Not printed.

⁵Mr. Moose was at this time in the United States on consultation and leave.

123 Moose, James /423: Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, May 3, 1943—1 p. m.

612. Personal for the Minister. Department's 536, April 14, 5 p. m. The President desires me to express to you his thanks and appreciation for the services which you have rendered as Minister to Saudi Arabia.

Your resignation in that capacity will become effective upon the day when your successor presents his letters of credence.

HULL

123 Moose, James S./431: Telegram

The Chargé in Saudi Arabia (Moose) to the Secretary of State

JIDDA, May 19, 1943—noon.

[Received 4:46 p. m.]

42. Arrived and assumed charge today. Please advise Mrs. Moose.

MOOSE

123 Moose, James /439: Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, July 18, 1943—10 a. m.

[Received 1:41 p. m.]

69. Reference is made to the Department's instruction of June 10 [14], 1943.⁶

Kirk's letter of recall and my letter of credence were presented to Amir Faisal as Viceroy⁷ today. Forms executed.

Repeated to Cairo.

MOOSE

⁶ Not printed.

⁷ The Amir, a son of King Ibn Saud, was also Minister for Foreign Affairs.

PROPOSAL BY THE UNITED STATES TO ESTABLISH A CONSULATE
AT DHAHRAN

867N.01/1915 : Telegram

*The Minister Resident in Saudi Arabia (Moose) to the Secretary
of State*

JIDDA, August 11, 1943—10 a. m.

[Received 1:10 p. m.]

88. For Murray⁸ and Alling.⁹ Referring to verbal message delivered by Hoskins.¹⁰ Still adhere to opinion expressed in Department that Dhahran is preferable location.¹¹ While there is no precedent to use for guidance I see no reason to anticipate objection by local authorities.

MOOSE

125.0090F/5a : Telegram

*The Secretary of State to the Minister Resident in Saudi Arabia
(Moose)*

WASHINGTON, August 19, 1943—10 p. m.

55. Your 88, August 11, 10 a. m. Please request of the Saudi Arabian Government permission to open a consulate at Dhahran.

You are confidentially informed that, if the reply to your request is favorable, it is contemplated that the British Government will be asked whether any objections are entertained to the inclusion of Bahrein in the Dhahran consular district.^{11a}

Please submit to the Department your recommendations as to area in Saudi Arabia to be included in Dhahran consular district, size of staff, availability of suitable quarters and such other related matters as may suggest themselves to you.

HULL

⁸ Wallace Murray, Adviser on Political Relations.

⁹ Paul H. Alling, Chief of the Division of Near Eastern Affairs.

¹⁰ Lt. Col. Harold B. Hoskins; regarding the visit by Lt. Col. Hoskins to Saudi Arabia, see pp. 796-821, *passim*.

¹¹ i.e., for a U.S. Consulate in Saudi Arabia.

^{11a} For correspondence on the proposed establishment by the United States of a consulate at Bahrein, see vol. III, pp. 111 ff.

125.0090F/6 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, August 25, 1943—noon.

[Received 7:17 p. m.]

98. Department's 55, August 19, 10 p. m. Request was made verbally to Acting Minister Foreign Affairs¹² on August 23 and following day he replied that Ibn Saud¹³ is reluctant to grant permission to establish American Consulate in Dhahran for fear it might prove to be embarrassing precedent in event of subsequent similar request from third government. This subject has not been mentioned to my British colleague,¹⁴ but I request authorization to do so since he is likely to learn about it from Saudi sources anyway.

Of course the situation at Dhahran is unique in Saudi Arabia and the King can scarcely fail to recognize that no parallel case is likely to arise. Should the Department wish to pursue the request further I suggest that my impending visit to Riyadh will be a favorable opportunity for further discussion.

Details by despatch.

MOOSE

125.0090F/6 : Telegram

The Secretary of State to the Minister Resident in Saudi Arabia (Moose)

WASHINGTON, September 3, 1943—9 p. m.

59. Your 98, August 25, noon. Department is somewhat puzzled over the speed with which Ibn Saud's initial reaction to this request was obtained, assuming that the Acting Foreign Minister was at Jidda and the King in central Arabia.

It is desired that you pursue the matter with the King at the first favorable opportunity. You should stress the fact that no third country has or is at all likely to have any interests in the Dhahran area which are remotely comparable to ours. Consequently a similar request from a third country would have no basis of practical need for a consulate, which in any case is a matter for determination by the Power of whom the request is made.

You should refrain from mentioning the subject to your British colleague. If he learns of your request, you may acquaint him with the facts and you should inform him that this Government expects that the British will not raise any difficulties in regard to the matter.

¹² Shaikh Yusuf Yassin.

¹³ Abdul Aziz ibn Saud, King of Saudi Arabia.

¹⁴ The newly appointed British Minister was Stanley R. Jordan.

With reference to the Department's 55, August 19, 10 p. m., please continue to regard as strictly confidential the Department's desire ultimately to include Bahrein in the Dhahran consular district.

HULL

125.0090F/9

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

No. 53

JIDDA, October 25, 1943.

[Received November 12.]

SIR: I have the honor to refer to the Department's telegram no. 59 dated September 3, 9:00 p. m., and to confirm to the Department that at the time when the initial request was made for permission to open a Consulate at Dhahran, the Acting Minister of Foreign Affairs, Shaikh Yusuf Yassin, was in Jidda, and the King was in Riyadh.

So far as is known, neither the British Legation nor any person beside Saudi Foreign Ministry officials has any knowledge of the Department's desire to open a Consulate; and the eventual intention to include Bahrein in the Dhahran district has not been divulged to anyone.

When in Riyadh between September 29, 1943 and October 5, 1943,¹⁵ I took advantage of several interviews with Saudi officials and interviews with King Ibn Saud, to renew the request, with the negative results recounted below.

On September 30, 1943, the earlier request for permission to open an American Consulate in Dhahran was mentioned to the King who said that he would discuss the matter himself in a subsequent audience.

That same day, however, Khalid Bey Al-Gargani and Beshir Bey Al-Sadawi, two of the King's Counselors, called on me, and stated, among other things, that the King had authorized them to conduct preliminary conversations on the subject of the desired Consulate at Dhahran.

I then recalled to Khalid Bey and Beshir Bey that on August 23, 1943 a request for the requisite permission was made verbally to Shaikh Yusuf Yassin, and that the Saudi Arabian Government's reply had been that the establishment of such a Consulate might cause an embarrassing precedent; and permission was not granted.

It was pointed out that a Consulate in Dhahran would be a great convenience both to the California Arabian Standard Oil Company and to the individual Americans there, in the issuance and validation of passports, notarial services, services to shipping and seamen, docu-

¹⁵ For correspondence relating to this visit, see pp. 876-908, *passim*.

mentation of merchandise in normal times, et cetera, et cetera, and that with the anticipated growth in the company's exports and in the size of its staff, the lack of a Consulate would become progressively more inconvenient.

It was added that Dhahran is unique in Saudi Arabia, and the chances that some other nation will have the same need for a Consulate there, or elsewhere in Saudi Arabia, is so remote as to be negligible. Consequently, there would appear to be little danger that a troublesome precedent would be established—and in any event, no new Consulates could be opened in Saudi Arabia without the permission of the Saudi Government.

Khalid Bey replied that "political law" (or "diplomatic law") would oblige Saudi Arabia to grant to Iraq, for example, all rights with respect to Consulates which might be granted to the United States. And, in fact, Iraq had already applied for permission to open Consulates at Qatif and Riyadh and had been refused.

When a question was raised about which "political law" established the rule in this case, Khalid Bey said that the treaties establishing relations between Saudi Arabia and other countries made it impossible for Saudi Arabia to refuse to any friendly country permission to establish a Consulate at any place where the Consulate of a third country was located. Khalid Bey added that this provision is also found in the treaty establishing relations between Saudi Arabia and the United States. On request, Khalid Bey said he would show these treaty provisions.

Khalid Bey protested that he was really trying to help out in the matter, and that he was merely indicating, in friendly fashion, the difficulties lying in the way of the request.

The following day, I saw Khalid Bey and Beshir Bey at the Royal Palace. They produced copies of the Arabic text of the United States-Saudi Arabia Treaty of November 7, 1933,¹⁶ and cited the first article in support of their contention of the previous day. The English text was not available. A translation of the first article from the Arabic follows:

"The diplomatic representatives of either of the two states, when in the territory of the other state, shall enjoy the privileges and immunities derived from generally accepted international law. Consular representatives of either of the two states, after the issuance of their exequaturs, shall be permitted to reside in the territories of the other state in places where consular representatives are permitted to reside, in accordance with local laws; and they shall enjoy the privileges and immunities granted to similar officials in accordance with general international usage, and shall not be treated with less attention than similar officials of any other foreign state".

¹⁶ *Foreign Relations*, 1933, vol. II, p. 999.

Instead of the interpretation put upon it by the King's counselors, the foregoing extract, in Arabic text, may be taken to provide that American consular officials may not establish themselves in any place without having the prior permission of the Saudi Arabian Government, and that the United States shall enjoy most favored nation treatment with respect to its consular representatives.

Neither of these provisions appeared to confirm the contentions of the King's counselors.

They then produced the Arabic text of the Treaty of Friendship signed in Jidda on February 10, 1932 between Italy and the Kingdom of the Hejaz, and of the Nejd and Dependencies,¹⁷ and cited Article 2 as further proof, saying that any rights granted to Italy would automatically accrue to Iraq.

Article 2, in translation from the Arabic, reads as follows:

"Second Article.

"In accomplishment of the preceding article, the two high contracting parties have agreed to establish diplomatic and consular relations with each other, and for that purpose, the diplomatic and consular representatives of either of the two contracting parties shall enjoy, so long as they are in the territory of the other party, the treatment established in the principles of general international law, as well as enjoying, on condition of reciprocity, the treatment accorded to the most favored nation".

When it was questioned that these treaty provisions would oblige the Saudi Government to grant to a third nation permission to establish a Consulate in Dhahran if such permission were accorded to the United States, Khalid Bey said that the Saudi Arabian Government so construed them.

Khalid Bey continued by saying that the development of the oil company's concession would be advantageous to both Saudi Arabia and to the United States; and he felt sure that some method could be found whereby the desired services could be performed without the formal opening of a Consulate in Dhahran.

As a purely personal suggestion, Khalid Bey said that when the matter was discussed by the King, and when the King had said that he did not wish to grant permission for an American Consulate to be opened in Dhahran, the King might profitably be asked if he had any alternate plan to offer.

In reply, Khalid Bey was assured that the United States Government had no desire to raise any question which is embarrassing to the Saudi Arabian Government, but that the need for a Consulate in Dhahran is real and is certain to be more pressing as time goes on.

¹⁷ *British and Foreign State Papers*, vol. cxxxv, p. 572.

Then Khalid Bey was given a brief description of the nature of the services performed by a Consulate, a subject on which he seemed to have very hazy notions.

On October 2, 1943, the request was mentioned to the King. He said that Khalid Bey and Beshir Bey had already explained the circumstances which had caused him to withhold the desired permission. He repeated . . . his belief that the establishment of an American Consulate at Dhahran would cause a renewal of requests from other countries, and that such requests would be embarrassing to Saudi Arabia. He added that requests to establish Consulates had been made by the British, Iraqis and Iranians, and had in each case been refused. The King stated that the Americans are his friends, and he wishes to help them, but not by permitting a Consulate to open at Dhahran. He repeated several times over that this was *not* a refusal, and said that perhaps the United States Government could suggest another way of performing the desired and desirable services.

In reply, I stated that no other way in which to perform the services occurred to me, and asked if the King had anything specific in mind. He said no, adding that he would be starting for the Hejaz toward the end of the month and that he would then discuss the subject again.

The Department will note that the position of the Saudi Arabian Government with respect to the request for a Consulate in Dhahran has two principal points:

(1) The fear that an American Consulate in Dhahran would cause embarrassing demands for consulates of other nations in Saudi Arabia. This fear has been buttressed at various times by citation of international law, Moslem religious law, and treaty provisions; and all such citations seem to be inconclusive. Perhaps the fear of embarrassing demands from Iraq, Iran or Great Britain is genuine. On the other hand, it is entirely possible that the fear of foreign Consulates is a hold-over from the capitulatory regime of the Ottoman Empire. There has been little evidence to show that the King and his advisers have any clear conception of the services which a Consulate performs. These services were explained verbally to Shaikh Yusuf Yassin, to Khalid Bey and Beshir Bey, and briefly to the King. It is by no means certain that the explanations made any impression, though there was no tendency to question the desirability or advantages to be derived from the proposed Consulate.

(2) Although withholding permission to open a Consulate, the Saudi officials, including the King, intimate that the same end can be obtained in a different way. It has not yet been possible to learn what they have in mind.

In despatch no. 24 dated August 26, 1943,¹⁸ the Department was informed how the Netherlands Government maintains a Vice Consul in Mecca who functions without hindrance from the Saudi Arabian Government as a member of the staff of the Dutch Legation in Jidda.

¹⁸ Not printed.

In this connection it may be of interest to note that a Saudi Arabian Consulate has recently been opened in Basra.

The local Government also wished to open a Consulate in Bahrein where a Saudi representative is needed to look after supplies for Saudi Arabia trans-shipped and landed at Bahrein. The British authorities refused to permit a Saudi Consulate in Bahrein, so eventually Shaikh Abdullah Al-Fadhil, the Saudi Arabian Government representative in Damman, was made "Saudi Arabian Trade Representative", and operates in Bahrein without official status but without interference from the British.

The prospect of opening a Consulate in Dhahran at present is not encouraging. The Department would appear to have three principal choices of the course to pursue: (1) to drop the matter; (2) to ignore the references to a "way to render the services without the establishment of a consulate" and to press periodically for the desired permission; or, (3) to investigate the "way to render the services without the establishment of a consulate" and to expect the situation to be regularized later.

When in Dhahran on October 7, 1943, the General Manager of the California Arabian Standard Oil Company remarked that the American personnel found it inconvenient to refer to the American Consulate at Basra for consular services, particularly passports and notarials, and stated that much time was lost by company personnel going to Bahrein, there to execute notarials at the British Political Agency. He suggested that an American Consulate might be opened at Dhahran, particularly in view of the expected increase in the number of Americans there. No indication was given him that an American Consulate in Dhahran was contemplated, though it is possible that Mr. Ohliger had heard it from Saudi sources.

In my opinion, it would be advantageous to follow up the hints of the King and others, and learn what kind of arrangement they would approve for the performance of consular services. It might be possible to arrange some plan such as this: A secretary from this Legation would take up his residence in Dhahran, with the knowledge and at least tacit assent of the Saudi Arabian Government, and would perform the usual consular services, acting as a member of the Legation and using a Legation seal. (As a member of the Legation, he would have official standing in the eyes of the local officials, and it is believed that he would be almost as useful as if a Consulate were established.)

Should such an arrangement be made, the secretary stationed in Dhahran could exchange places from time to time with a secretary in Jidda, both breaking the monotony for the officers concerned, and confirming the fact that the person in Dhahran was in reality a secretary of the Legation.

This slightly irregular proceeding may seem to the Department to be less of an innovation if the situation in Jidda is taken into account. Since the establishment of Legations in Jidda, no consular officials are known to have been recognized by the Saudi Arabian Government. Members of the Legation staffs serve in consular capacity without presenting commissions or receiving exequaturs, and without any objection on the part of the local Government. That is the position of the American and British Legations at present, and it is believed to apply to all other Legations here.

Thus far no one has wished to bring up the subject of exequaturs because of the danger that it would do more harm than good. If the local authorities once realize that consular officials normally hold exequaturs, they might raise difficulties in the issuance of the documents and in the performance of consular services. They might also refuse to recognize the same person in dual diplomatic and consular capacity.

The Department's views on the foregoing suggestion of an informal consular office in Dhahran are respectfully requested by airgram.

Respectfully yours,

JAMES S. MOOSE, JR.

125.0090F/8: Telegram

*The Secretary of State to the Minister Resident in Saudi Arabia
(Moose)*

WASHINGTON, November 30, 1943—10 p. m.

110. Please endeavor to obtain the consent of the Saudi Arabian Government to the sending of an officer from the Legation to Dhahran to perform consular functions there in accordance with the suggestions contained in your 169, October 30, 11 a. m.¹⁹ and despatch 53, October 25, 1943. If this permission is obtained, the Department will assign an additional officer to Jidda.

HULL

**VISIT TO THE UNITED STATES OF AMIR FAISAL, FOREIGN MINISTER
OF SAUDI ARABIA, ACCOMPANIED BY AMIR KHALID AND SHAIKH
HAFIZ WAHBA**

890F.0011/74

Press Release Issued by the Department of State, September 25, 1943

His Royal Highness Amir Faisal, Foreign Minister of Saudi Arabia, will visit the United States as a guest of this Government and is

¹⁹ Not printed.

expected to arrive in Washington on Thursday, September 30, 1943. The Foreign Minister will spend a few days in Washington and New York, and later during his stay will visit certain irrigation projects in the southwest portion of the United States.

The Foreign Minister will be accompanied by his brother, His Royal Highness Amir Khalid and Shaikh Hafiz Wahba, Saudi Arabian Minister to London.

890F.0011/97

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

No. 54

JIDDA, October 25, 1943.
[Received November 12.]

SIR: I have the honor to refer to the Legation's telegram no. 95 dated August 18, 1943, 2:00 p. m.,²⁰ to the annexures to despatch no. 50 dated October 25, 1943,²¹ and to report to the Department certain details in regard to the desire of His Royal Highness Amir Saud to visit the United States.

When the Honorable Alexander Kirk, then Minister to Saudi Arabia, visited King Ibn Saud in Riyadh in May 1942, there were several references to the desire of Amir Saud to visit the United States after the end of the war. This same desire was expressed to Americans in the California Arabian Standard Oil Company at different times.

About a year later, the same desire was expressed to Brigadier-General Patrick Hurley,²² who was then visiting in Riyadh, and as a result of conversations held at that time, Amir Saud informally expressed his readiness to visit the United States whenever invited. This intention was reported in the Legation's telegram no. 60, June 25, 1943, 2:00 p. m.²⁰

In late July, the Department instructed this Legation to deliver to King Ibn Saud a message from the President inviting the King, or a member of the Saudi Royal Family representing the King, to visit the United States.

Ten days later the King accepted the invitation on behalf of a member of his family, but failed to specify which member.

²⁰ Not printed.

²¹ None printed.

²² Personal Representative of President Roosevelt in the Near East; for correspondence on the Hurley Mission, see pp. 392 ff., *passim*.

On August 18, 1943, it was learned that two of the King's sons, Amirs Faisal and Khalid, would visit the United States, and not Amir Saud, as contemplated. The Saudi Ministry of Foreign Affairs attributed the substitution of Amir Faisal for Amir Saud to the press of the Crown Prince's duties and to the condition of his health.

When I was received in audience by the King on September 29, 1943, he spontaneously explained that Amir Saud had wished to accept the President's invitation to visit the United States, but that urgent matters required the presence of the Crown Prince in Arabia, and that the condition of the Crown Prince's eyes did not permit him to make the trip. No indication was given of the nature of the urgent matters. . . .

The following day, the Crown Prince himself gave assurances of the friendship of Saudi Arabia for the United States, and that this friendship would continue when he became King. He added that one day he would go to the United States and give personal assurance on the point to the President and high officials.

On October 4, 1943, the Crown Prince again referred to his desire to visit the United States, and on October 11, 1943, repeated it a third time.

In conversation with Mr. F. W. Ohliger, General Manager of the California Arabian Standard Oil Company, on or about August 22, 1943, the King gave an indication of the nature of the urgent affairs which prevented Amir Saud from going to the United States. While discussing the ever-present problem of maintaining order in Saudi Arabia, the King remarked that in times like the present, neither the King nor his successor should leave the country. This remark is all the more comprehensible when it is recalled that Amir Saud is accustomed to deal with the tribes on behalf of his Royal father.

There is no reason to doubt the genuineness of the Amir Saud's friendly feeling toward the United States, or that of the King's, and it is obvious that Amir Saud does wish to visit the United States when he is able. He may be even more anxious to do so after hearing the tall tales which Amirs Faisal and Khalid will tell when they return to Arabia.

The subject will undoubtedly come up again, and it seems that a considerable benefit might accrue from a successful visit of Amir Saud to the United States when the opportunity offers.

Respectfully yours,

JAMES S. MOOSE, JR.

890F.0011/100

*Memorandum of Conversation, by Mr. W. Leonard Parker of the
Division of Near Eastern Affairs*

[WASHINGTON,] November 1, 1943.

Participants: Shaikh Hafiz Wahba, Saudi Arabian Minister to
London
Mr. Austin, FEA ²⁴
Mr. Ward, FEA
Mr. Fred Winant ²⁵
Mr. Parker

Shaikh Hafiz Wahba called to continue discussions regarding Lend-Lease procedure for Saudi Arabia.²⁶ In the course of previous conversations regarding this matter he indicated that the Saudi Arabian Government would prefer to deal directly with Washington rather than through intermediaries. In the course of conversations today the functions and organization of the Middle East Supply Center were explained to him in detail. It was pointed out to him that the MESC is responsible for the equitable distribution of civilian supplies throughout the Near East and that in many cases considerable time can be saved by dealing through the MESC. It was pointed out to him further that the MESC is in fact a joint Anglo-American organization and that American participation therein is at least equal to that of the British. After this explanation Shaikh Hafiz Wahba expressed the opinion that his Government would have no objection to working through the MESC provided that the Saudi Arabian Government could present its requirements directly to the American Minister Resident in Jidda who would transmit these requirements directly to Mr. Landis²⁷ in Cairo. It was inferred from Shaikh Hafiz Wahba's remarks that the Saudi Arabian Government is particularly anxious not to deal through their representatives in Cairo. For this reason it was suggested that the Saudi Arabian Government make its needs known directly to Mr. Moose who would pass them on directly to Mr. Landis thereby obviating the necessity for routing them through a Saudi Arabian representative in Cairo. Shaikh Hafiz Wahba expressed complete satisfaction with this procedure as outlined.

²⁴ Foreign Economic Administration.

²⁵ Formerly chief American lend lease officer in the area served by the Middle East Supply Center (MESC).

²⁶ For correspondence relating to this subject, see pp. 854 ff.

²⁷ James M. Landis, American Director of Economic Operations in the Middle East.

Shaikh Hafiz Wahba stated that Amir Faisal had received a telegram a few days ago from King Ibn Saud to the effect that trucks to be furnished under Lend-Lease procedure for the pilgrimage had not arrived. Mr. Winant replied that he would send a telegram of inquiry to Cairo immediately regarding this matter.

Shaikh Hafiz Wahba again stated that Amir Faisal and other members of his party now in the United States desire to purchase about 14 passenger automobiles in this country to be shipped to Saudi Arabia. Mr. Winant again explained to him sympathetically and in detail the very difficult shipping problem presented by the transportation of passenger cars and pointed out that less than a dozen such vehicles had been shipped to the Near East for private use in the past year. He suggested however that he would endeavor to obtain shipping space for the transportation of two cars, one for Amir Faisal and another for Amir Khalid.

Shaikh Hafiz Wahba then presented a rather lengthy list of medical and pharmaceutical requirements for Saudi Arabia. It was suggested to him that probably it would expedite matters if he would have a telegram sent to his Government suggesting that Saudi Arabian health officials present this list to Mr. Moose for transmission to Mr. Landis. It was pointed out that the MESC has a stock pile of medicines and that it might be possible to have some of them shipped directly from Cairo to Saudi Arabia. Shaikh Hafiz Wahba agreed to handling the matter in this way.

Shaikh Hafiz Wahba referred again to the need of the Saudi Arabian Government for radio equipment to maintain existing radio facilities needed for rapid communication in the interest of the maintenance of law and order in Saudi Arabia. It was explained to him that complete radio units are among the most difficult items of equipment to obtain in wartime. He was informed however that it might be possible to supply radio parts needed to place existing equipment in working order. He was informed also that the War Department had authorized General Royce²⁸ to include a radio technician among the personnel of his proposed military mission to Saudi Arabia for the purpose of making an inventory of needed radio equipment.²⁹

Upon taking his departure Shaikh Hafiz Wahba expressed complete satisfaction regarding the procedures which had been outlined to him except for an expression of disappointment that more passenger cars might not be obtained for members of the party.

²⁸ Maj. Gen. Ralph Royce, Commanding General, U.S. Forces, Middle East.

²⁹ For correspondence relating to the Royce Military Mission to Saudi Arabia, see pp. 904 ff., *passim*.

890F.0011/102

Memorandum of Conversation, by the Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] November 1, 1943.

Participants: Amir Faisal, Saudi Arabian Minister of Foreign Affairs
Amir Khalid
Shaikh Hafiz Wahba, Saudi Arabian Minister to London
Mr. Stettinius³⁰
Mr. Berle³¹
Mr. Murray
Mr. Alling

The Acting Secretary received the two Arabian Princes and the Arabian Minister to London. On behalf of the President of the United States the Acting Secretary presented a gift for King Ibn Saud, which he requested Amir Faisal to be good enough to take to his father. The Acting Secretary also presented a present to each of the Princes on behalf of the President. He then inquired whether there was anything we could do to be helpful. Through his interpreter Amir Faisal said that his father and he were very much interested in American policy in the Near East, as, just as during the last war, everyone in that part of the world needed help. Above all, his father wanted to say that the Near and Middle Eastern countries wanted to be independent and happy. On several occasions King Ibn Saud had explained his views to special representatives of the President. In return, he hoped to know something of American opinion, since in dealing with his friends the King did not like to take any action which might interfere with their policies. The King was not quite clear as to the trend of American policy with respect to some of the Arabic countries. The Amir inquired whether there was anything he could carry back to his father, particularly with respect to American policy regarding the independence of Arabic countries. The Amir gave assurances that anything the Acting Secretary might be able to say would be held in strict confidence by his father and himself.

To explain somewhat further some of the problems of Saudi Arabia, Amir Faisal said that King Ibn Saud had information that the

³⁰ Edward R. Stettinius, Jr., Acting Secretary of State.

³¹ Adolf A. Berle, Jr., Assistant Secretary of State.

Hashimite family³² was trying to add to the territory under its control. For example, that family is said to be working toward a union of Palestine, Iraq and Syria. King Ibn Saud believed that the Hashimite family did not represent the people in the countries where they were ruling. The King also had the strong opinion that the Hashimite House was trying to surround Saudi Arabia and to strangle it. The King did not know the policy of the Allies with respect to the expansion of the Hashimite territories. If it was the policy of the Allies to support this expansionist move, he could do nothing to stop it. Nevertheless, he would look upon such support with great regret. On previous occasions the Turks, and then the Hashimite House, had tried to surround the Saudi Arabian territories but, with the help of God, their pretensions had been stopped. It was the policy of his father to be friendly with all of his neighbors, since he considered that to be to the best interest of all of the Arab peoples. (At this point the Acting Secretary was obliged to take leave of the Princes, since he had a previous engagement. The discussion was continued in Mr. Berle's office.)

In reply to the remarks of Amir Faisal, Mr. Berle said that the United States had no interest in making dynastic alliances against his father or anyone else. Neither did the United States have any interest in furthering aggressive designs. Certainly it would have no part in any movement intended to encircle Saudi Arabia. What we had at heart in the Middle East, as in other parts of the world, was building up a "Good Neighbor" policy, not only as between the United States and those countries, but also among those countries themselves. To illustrate our general attitude regarding the question of Arab union, Mr. Berle read a paraphrase of a message (telegram no. 1605 of October 26 to Cairo³³) to the American Minister at Cairo authorizing him to inform Shaikh Youssef Yassin of our general attitude. After the telegram was read, Amir Faisal asked if he could have a paraphrase to take along with him as an informal statement. Mr. Berle agreed to this and such a paraphrase is being prepared. Mr. Berle made it perfectly clear that it was contrary to our policy to form a block against any country, either in the Near East or elsewhere. Amir Faisal replied that neither he nor his father believed that the United States would form such a block. As we knew, the Saudi Arabs were the friends of Great Britain and

³² The family of Hussein, Sherif of Mecca and guardian of the Moslem holy places in the Hejaz, who, in alliance with the British, led the Arab revolt during World War I which resulted in the detachment of the Arab lands of the Ottoman Empire from Turkish sovereignty. Although Hussein's claim to be "King of the Arabs" was never recognized by Great Britain and France, and Syria and the Hejaz were lost to the family by 1920 and 1925, respectively, Hashimite dynasties were successfully established by sons of Hussein in the new states of Iraq and Transjordan.

³³ *Post*, p. 853.

her allies; they hated the Nazis, whose tenets were against the Moslem religion and the social life of Islam. Above all, Ibn Saud wished to keep peace with his neighbors and he hoped for the same consideration from his neighbors.

Amir Faisal made it clear that his father was especially suspicious of Nuri as-Said, Prime Minister of Iraq and of Amir Abdullah of Trans-Jordan. The Amir said that if the Allies withdrew their support from those two so-called leaders, it would not take long to see whether those two men had the support of the people of their countries. Mr. Berle said that we had no knowledge that any of the Allied powers were seeking any dynastic changes. If anything of that sort happened in those territories, it would be because the people wished it and not because the United States proposed it. Our policy was in accordance with the terms of the Atlantic Charter,³⁴ that each people should have a government of its own choosing. If there were to be any union, whether social, cultural, or political, among the Arab countries, it was our view that such a process should take place only with the entire agreement of the peoples concerned and in accordance with the terms of the Atlantic Charter. Amir Faisal remarked that this was a very wise policy. He hoped that in the future people of every country would be asked what kind of government they wished. Mr. Berle replied that this was also our hope and was one of the things we were fighting for.

Amir Faisal said that he and his father knew that the Arab world faced many changes and that they would like to have our help and cooperation and that of our allies. Above all, the Arab peoples, and particularly Saudi Arabia, wished to take as their course a golden mean.

The Amir went on to say that he now had an understanding of our views. He hoped that we would continue to keep his father and him informed if any changes took place in our views. Mr. Berle said that we should be glad to do this and suggested that Amir Faisal talk from time to time with our representative at Jidda. If the latter didn't know the answers, we should be glad to supply them, since we had no secret policies. Amir Faisal again expressed his thanks and remarked that everyone knew that we did not deal in secrecy but, like his father, dealt in frankness.

The Amir said that the foregoing covered the principal matters which he wished to discuss. There were some secondary matters which he wished to go over. These are covered in a separate memorandum.³⁵

³⁴ Joint Declaration by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations*, 1941, vol. I, p. 367.

³⁵ *Infra*.

890F.0011/103

Memorandum of Conversation, by the Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] November 1, 1943.

Subject: Various Economic Questions in Saudi Arabia

Participants: Amir Faisal, Saudi Arabian Minister of Foreign Affairs

Amir Khalid

Shaikh Hafiz Wahba, Saudi Arabian Minister to London

Mr. Berle

Mr. Murray

Mr. Alling

Following a lengthy conference, the Amir Faisal mentioned some of the secondary matters which he wished to discuss. These were as follows:

1. Silver.³⁶ Mr. Berle furnished the Amir with the information in the attached memorandum. The Amir expressed satisfaction with the steps which we had taken to provide silver. Mr. Alling pointed out that the furnishing of silver was not a permanent solution of the financial problems of Saudi Arabia and he inquired whether the Amir had any information whether his father had taken any steps toward such a solution, such, for example, as the establishment of a bank. Amir Faisal replied that he had no precise information on this point. It was his belief that the idea of a bank had been dropped, at least for the time being. He added that he recognized that some permanent solution would be required and asked whether we had any suggestions. Mr. Alling suggested that a preliminary step might be for us to furnish the King with advice. The Amir approved of this proposal and intimated that he would discuss it with his father.

2. Direct Lend-Lease. Mr. Berle furnished the Amir with the information in the attached memorandum.³⁷

3. Automobile trucks for Saudi Arabia. Again the information in an attached memorandum was furnished.³⁷ The Amir remarked that he had had a telegram from his father intimating that the cars which had been shipped from Egypt had not arrived. It was agreed that inquiries would be made on this point.

There was a subsequent discussion regarding certain other articles needed by Saudi Arabia, including radio equipment, pumps and medicine. It was agreed that these matters would be discussed at a meeting to be held in the afternoon.

³⁶ For correspondence relating to this subject, see pp. 854 ff., *passim*.

³⁷ Presumably Mr. Parker's memorandum dated November 1, p. 843.

[Annex]

SAUDI ARABIAN SILVER

An agreement was signed on October 3, 1943 under which 5,167,000 ounces of United States Treasury silver will be loaned to the government of Saudi Arabia. King Ibn Saud, through Bashir Alsadawi, authorized by royal decree to sign on the King's behalf, has promised to return the silver ounce for ounce within five years after the end of the war. This amount of silver will be sufficient for the coinage of 15,000,000 riyals required to meet Saudi Arabia's currency needs for the rest of 1943. We are attempting to get 8,000,000 riyals to Saudi Arabia in time to meet the heavy currency demands arising from the annual pilgrimage to Mecca which begins about November 15 and reaches its peak early in December. To speed delivery, we have arranged to have 4,000,000 riyals minted in India and 4,000,000 riyals in London from silver already available at those points, said silver to be replaced with United States silver as soon as shipping can be arranged. It is hoped that the first shipments of riyals from India will arrive by November 15.

890F.0011/101

Memorandum of Conversation, by the Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] November 1, 1943.

Participants: Amir Faisal, Saudi Arabian Minister of Foreign Affairs
Amir Khalid
Shaikh Hafiz Wahba, Saudi Arabian Minister to London
Mr. Berle
Mr. Murray
Mr. Alling

Mr. Murray raised the question of an American Consulate at Dhahran,³⁸ where, as the Princes knew, consideration was being given to the erection of a large petroleum refinery. Mr. Murray pointed out that if this project went through, there would be a large number of Americans in that part of Saudi Arabia and it would be most essential for us to have a Consul there. He said that he understood that the objection on the part of the Saudi Arab Government was because it might be considered as establishing a precedent. Mr. Murray stressed the point that he did not consider this a valid argument, since the

³⁸ For correspondence relating to this subject, see pp. 833 ff.

Saudi Arab Government could quite easily point out that no other country had the interests in and about Dhahran that the United States had. After further discussion, the Amir said that he would discuss the matter with his father.

890F.0011/99

Memorandum of Conversation, by the Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] November 1, 1943.

Subject: Possible Government Participation in Casoc³⁹

Participants: Amir Faisal, Saudi Arabian Minister of Foreign Affairs
 Amir Khalid
 Shaikh Hafiz Wahba, Saudi Arabian Minister to London
 Mr. Berle
 Mr. Murray
 Mr. Alling

Mr. Berle furnished to Amir Faisal the information contained in the attached statement regarding petroleum development in Saudi Arabia.⁴⁰ He explained to the Amir that King Ibn Saud had said that whatever was agreeable to President Roosevelt was agreeable to him. The Amir smiled and said he was sure that that would be his father's answer.

[Annex]

POSSIBLE INCREASED PRODUCTION OF SAUDI ARABIAN OIL

In the interest of the prosecution of the war the Government of the United States is giving consideration to ways and means of assisting the California Arabian Standard Oil Company to construct a refinery in the vicinity of Dhahran. If this refinery is constructed it will be necessary for the United States Government to enter into a financial arrangement with the California Arabian Standard Oil Company therefor. In order to safeguard a substantial financial investment on the part of the Government, the United States Government is discussing with the California Arabian Standard Oil Company the possibility of acquiring a governmental interest in the company. These plans at present are under consideration and discussion, and no definite conclusions in regard thereto have been reached. The

³⁹ California Arabian Standard Oil Company, an American corporation.

⁴⁰ For correspondence regarding this subject, see pp. 645 ff.

American Minister Resident at Jidda has been instructed to acquaint His Majesty King Ibn Saud with these developments.

890F.0011/123

The Minister in Egypt (Kirk) to the Secretary of State

No. 1489

CAIRO, December 31, 1943.
[Received January 14, 1944.]

SIR: I have the honor to report that Their Royal Highnesses Prince Faisal and Prince Khaled of Saudi Arabia recently spent ten days (December 13-23) in Cairo on their return journey to Jidda following their official visits to the United States and Great Britain.

During their stay here the Princes were entertained by the Minister, the British Ambassador, the Minister of State for the Middle East, the Egyptian Prime Minister, the Presidents of the Senate and Chamber of Deputies, the Minister of Public Works and at a reception given by the Saudi Arabian Legation on the eve of their departure. Princes Mansour and Fahd, who were present in Cairo at the time, also participated in these functions.

During his stay here Prince Faisal gave two press interviews of considerable interest, the first to a correspondent of Cairo's *Al-Misri* of which an account is transmitted herewith,⁴¹ and the second to a representative of the Arab News Agency of which the following is a summary:

Prince Faisal said that he had not engaged in any political discussions in either the United States or Great Britain regarding the Middle East or the future of the Arab countries but he observed that he had nevertheless noticed the interest which the Americans were taking in this area and he added that the Middle East had certainly attained a position of importance in the course of the war. "The future of this region," he said, "is in the hands of its sons. We should occupy ourselves with our own affairs by ourselves. No longer should Europe serve as our guardian."

Prince Faisal, went on the article, denied that he had had any discussions regarding oil in Saudi Arabia and, emphasizing that King Ibn Saud was making every effort to assure the progress and prosperity of his people, said that the mineral resources of the country undoubtedly held favorable prospects to that end.

Speaking of Arab union, the Prince was reported to have declared that the Arabs were originally a united people but to have suggested that federation would have to come gradually and that the Koran should be taken particularly into consideration therewith in view

⁴¹ Not printed.

of its religious, social, commercial and even political aspects and its advocacy of cooperation for the common good in all that makes for a better life. "Some may protest," he added, "that there are Christians among the Arabs but they were always a part of the Arab nations. They are good citizens and good friends. The Koran gives everyone the right to worship God as he thinks fit. But besides the religious part of the Koran there is the part that contains advice on administration of laws, on the conduct of trade, on economics, on everything in life. All should abide by these laws."

It may be noted in conclusion that on the various occasions which brought the Minister and members of the Legation staff in contact with the Royal party the latter were unanimous in expressing satisfaction with their visit to the United States and their appreciation of the hospitality accorded them, which they seemed genuinely to feel had been as whole-hearted as it had been generous.⁴²

Respectfully yours,

For the Minister:
J. E. JACOBS
Counselor of Legation

**EXCHANGE WITH THE SAUDI ARABIAN GOVERNMENT REGARDING
THE ATTITUDE OF THE UNITED STATES TOWARD THE GENERAL
QUESTION OF ARAB UNION**

890B.00/283

The Acting Secretary of State to President Roosevelt

WASHINGTON, October 22, 1943.

MY DEAR MR. PRESIDENT: Our Minister at Cairo ^{42a} reports ^{42b} a conversation with Shaikh Youssef Yassin, ^{42c} who as the representative of King Ibn Saud ^{42d} has arrived in Cairo for conversations with the Egyptian Prime Minister ^{42e} on Arab union. ^{42f}

According to the Shaikh, Ibn Saud has certain reservations and suspicions regarding the present activities looking to Arab union, but does not wish to be obstructive. The King feels, therefore, that he might show a favorable attitude towards eventual economic and cul-

⁴² In despatch No. 108, February 7, 1944, the Minister Resident in Saudi Arabia reported on the pleasure expressed by Amir Faisal regarding his visit to the United States and that he appeared deeply and favorably impressed by what he saw (890F.0011/132).

^{42a} Alexander C. Kirk.

^{42b} Telegram No. 1829, October 13, 1943, 9 a. m., not printed.

^{42c} Saudi Arabian Acting Minister for Foreign Affairs.

^{42d} Abdul Aziz ibn Saud, King of Saudi Arabia.

^{42e} Mustapha Nahas.

^{42f} In July 1943, Prime Minister Nahas had initiated talks at Cairo on the idea of Arab unity; these conversations were conducted by Mr. Nahas on a bilateral basis with leading officials of the governments of interested Arab states.

tural union among Arab states but withhold, for the present, approval of furthering the political aspects of such union.

Before taking a position, the King desires to know whether the American Government approves of his attitude and also what our attitude is on the general question of Arab union. Mr. Kirk requests instructions.

Shaikh Youssef made similar inquiries at the British Embassy at Cairo where he was referred to the Eden ^{42g} statement of 1941, ^{42h} to the effect that the British would support any scheme for unity on which the Arabs could agree.

There is attached a draft telegram to our Legation at Cairo ⁴²ⁱ for your approval, if you concur, which gives our approach to the question of Arab union, based upon this Government's general policy in the Near East. Our attitude is consistent with the Eden declaration, and the note of caution which the proposed message strikes is in harmony with King Ibn Saud's own reservations.

Faithfully yours,

EDWARD R. STETTINIUS, JR.

890B.00/283 : Telegram

The Acting Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, October 26, 1943—8 p. m.

1605. You may say to Shaikh Youssef Yassin, with reference to your 1829, October 13, 9 a. m. ^{42j} and 1837, October 14, 4 p. m. ^{42k} that although we have not issued any statement equivalent to the Eden statement on Arab union, our general attitude toward the nations of the Near East is well known and has undergone no recent change. That attitude is, in brief, that we desire to see the independent Near Eastern countries retain their liberties and strengthen their economic and social condition. The aspirations of other Near Eastern countries for full independence have our complete sympathy. It naturally follows that if those peoples find it advantageous to unite of their own free will, we would view such a development with sympathy, always on the understanding that it takes place in accord with the principles

^{42g} Anthony Eden, British Secretary of State for Foreign Affairs.

^{42h} For text, see British Cmd. 6289, Misc. No. 2 (1941); *Speech by the Rt. Hon. Anthony Eden . . . delivered at the Mansion House on May 29, 1941*; for correspondence regarding the interest of the United States in this statement, with particular reference to the Palestine question, see *Foreign Relations, 1941*, vol. III, pp. 612-620, *passim*. A second pronouncement on Arab unity by Mr. Eden was made in the House of Commons on February 24, 1943 (*Parliamentary Debates*, House of Commons, 5th series, vol. 387, col. 139).

⁴²ⁱ *Infra*.

^{42j} Not printed.

^{42k} Not printed; it reported a conversation with a member of the British Embassy in Egypt regarding the Arab union question (890B.00/284).

set forth in the Atlantic Charter ⁴²¹ and in line with the declarations of Secretary Hull, notably those of July 23, 1942 and September 12, 1943.^{42m}

You may also say that while of course the countries concerned will shape their own decision, it seems to us that the events and problems of the last few years have shown that the Near Eastern countries need a great deal more strength in the economic, social and cultural domains and that first steps toward unity might well have these ends primarily in view.

The foregoing is for Shaikh Youssef's background information only.⁴²ⁿ

Repeat to Jidda.

STETTINIUS

EXTENSION OF LEND-LEASE ASSISTANCE TO SAUDI ARABIA; ORGANIZATION OF A PROGRAM FOR FINANCIAL AND MILITARY AID

890F.24/20

The Secretary of State to the Lend-Lease Administrator (Stettinius)

WASHINGTON, January 9, 1943.

MY DEAR MR. STETTINIUS: The Government of Saudi Arabia is the only major political unit in the Near East which has not been made eligible for lend-lease aid.⁴³

Saudi Arabia lies between the vital Red Sea and Persian Gulf shipping routes and across the direct air route to India and the Far East. The Government of Saudi Arabia has been highly sympathetic to the cause of the United Nations and has accorded United States Army aircraft the right to fly over certain uninhabited zones of Saudi Arabia. Furthermore, the Army may at any time wish to obtain extensive air facilities in Saudi Arabia. However, the Department is of opinion that it will be difficult to obtain additional privileges from the Government of Saudi Arabia unless we are prepared to furnish certain direct assistance to that country.

The practical elimination of the Moslem pilgrim traffic to Mecca because of war conditions has destroyed one of the principal sources

⁴²¹ Joint statement by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations*, 1941, vol. I, p. 367.

^{42m} See Department of State *Bulletin*, July 25, 1942, p. 639, and *ibid.*, September 18, 1943, p. 173, respectively.

⁴²ⁿ Mr. Kirk informed the Department in telegram No. 1976, November 4, 1943, 1 p. m., that Shaikh Youssef had been informed of the substance of the Department's instruction on November 3; the Minister stated further that he was using the instruction "for background in reply to such questions as may be asked by other responsible inquirers." (890B.00/294)

⁴³ Under provisions of the Lend-Lease Act approved March 11, 1941; 55 Stat. 31.

of foreign exchange of the Government of Saudi Arabia. The economy of the country has so far been kept going by assistance given by the British and by advance royalty payments of the California Arabian Standard Oil Company. It is believed probable that the British and the American oil company can continue to furnish the exchange needed by the Government of Saudi Arabia for purchases from nearby sources such as India, but it would be very helpful if it were possible for Saudi Arabia to be able to obtain additional assistance in the way of civilian supplies from the United States.

An exception to the general rule of cash payment for civilian supplies furnished under lend-lease to Near Eastern countries would presumably have to be made in the case of Saudi Arabia. However, it is believed that such assistance would amount to a relatively small sum. Total exports from the United States to Saudi Arabia in recent years have averaged considerably less than \$5,000,000 annually, and in the first ten months of 1942 equaled \$466,000. General imports into the United States from Saudi Arabia during the same period have averaged less than one-third of the value of exports to that country.

King Ibn Saad's unswerving sympathy for and loyalty to the United Nations' cause have been of inestimable value, and his prestige and influence in the Arab and Moslem world are great. Lend-Lease assistance would constitute recognition of his loyal and courageous attitude and would facilitate the prosecution of the war. Accordingly, I hope that prompt action may be taken to make Saudi Arabia eligible to receive lend-lease aid.

Sincerely yours,

For the Secretary of State:

DEAN ACHESON
Assistant Secretary

890F.24/30

The Lend-Lease Administrator (Stettinius) to the Assistant Secretary of State (Acheson)

WASHINGTON, January 12, 1943.

MY DEAR MR. ACHESON: I have received your letter of January 9, 1943, in which you suggest the desirability of prompt action to make Saudi Arabia eligible for Lend-Lease aid.

On January 11, 1943, I sent a memorandum to the President⁴⁴ recommending that he make an appropriate finding that the defense of Saudi Arabia is vital to the defense of the United States so as to render Saudi Arabia eligible for assistance under the Lend-Lease Act.

Sincerely yours,

E. R. STETTINIUS, JR.

⁴⁴ Not printed.

890F.515/2 : Telegram

*The Minister in Egypt (Kirk)*⁴⁵ to the Secretary of State

CAIRO, January 18, 1943—noon.

[Received January 19—3:05 p. m.]

110. As background to message transmitted in my 73, January 14, 5 p. m.,⁴⁶ Owen states that original plan proposed in November by British Minister in Jidda⁴⁷ and Rugman, Financial Secretary to Sudan Government, called for furnishing 25,000,000 new rials and supply requirements, the whole to total 4,000,000 pounds sterling or slightly more. This recommendation was based on estimate of about 64,000,000 rials of which it was expected to obtain about 3,000,000 from Casoc, 3,250,000 from Pilgrimage and remainder of about 57,750,000 rials, or slightly over 4,000,000 pounds, from the British in the form of rial currency and supplies.

This proposal was vetoed by London which proposed substitute plan outlined in my telegram under reference. Message from London making proposal was received just prior Owen's departure from Jidda and despite Najib Salha's⁴⁸ optimism reaction of King problematical since suggestion of Rugman last year⁴⁹ for use of rupee notes was turned down on ground *inter alia* of countervailing religious law. Plan for organizing bank also not yet clear and presumably may depend largely at this stage on Rugman's recommendations.

In reporting foregoing it occurs to me that should the bank proposal prove acceptable to the Saudi Arabian Government an opportunity might be afforded for American participation therein as a step not only in token of recognition and support of the friendly attitude of Saudi Arabia in war but also as contribution to long range stability of that country along lines indicated in my despatch number 778 of January 4.⁵⁰ Other contributing considerations would be facilitation and protection of existing American interests in Saudi Arabia and equalizing effect in respect of increasingly discernible tendency toward British economic intrenchment in this area under war

⁴⁵ At this time Minister Kirk was accredited also as Minister to Saudi Arabia; for correspondence regarding the status of the diplomatic representation of the United States in Saudi Arabia, see pp. 830 ff.

⁴⁶ Not printed; the message transmitted was a private telegram from Mr. Garry Owen, Jidda representative of the California Arabian Standard Oil Company (Casoc), to an officer of the company at San Francisco, regarding Casoc-British negotiations for supplying Abdul Aziz ibn Saud, King of Saudi Arabia, with needed income. The British Foreign Office had taken the position in the negotiations that the currency problem of Saudi Arabia must be met by the issue of internal notes controlled by the Currency Control Board, as in Palestine, and backed by the British Bank (890F.515/1).

⁴⁷ Francis H. W. Stonehewer Bird.

⁴⁸ Saudi Arabian Director of Mines and Public Works.

⁴⁹ See telegram No. 75, July 29, 6 p. m., from the Minister Resident in Saudi Arabia, p. 882.

⁵⁰ Not printed.

impact to a degree which might materially negate best intentioned postwar agreements for equality of opportunity.

In commending this matter to the Department's attention it is suggested that in view of [alleged?] inability of British to furnish silver and gold our contribution in bank scheme might take form of providing all or part of gold and/or silver requirements of bank under Lease-Lend and participation in management of bank in order to assure satisfactory control. Winant⁵¹ sees possibilities in this, as also do Owen and Ohliger of Casoc. May I have Department's views at earliest convenience as guidance for further exploration?

In conclusion I feel impelled to state that after watching operation of system by which American assistance to Saudi Arabia has been channelized through British, I have gained impression that we have thereby lost considerable prestige in the eyes of Saudi Arabians who have been given increasingly to feel that the British were their only friends in need. In the interests of all concerned and in sight of both immediate and long term considerations, the best all around solution would seem to be one of understanding cooperation with British on basis of equality and bank proposal might well afford suitable opportunity for inauguration of such a policy before situation crystalizes to such a degree as to render such cooperation more difficult. In addition I recommend early consideration of extension of direct Lease-Lend of supplies to Saudi Arabia in collaboration with and parallel to British but I would emphasize desirability in so doing of not arousing Saudi Arabian hopes of greater assistance than we prepared to extend and necessity of meeting promptly any engagements contracted.

In the event that Department favors extension Lend-Lease to Saudi Arabia, I suggest that in view of political considerations involved and of Ibn Saud's susceptibilities an opportunity be given him to approve such a step prior to its announcement.

Repeated to Jidda.

KIRK

890F.515/2 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, January 27, 1943—9 p. m.

143. The Department is glad to have the information and views set forth in your 110, January 18, noon and will bear them carefully

⁵¹ Frederick Winant, at this time ranking civilian representative of the Lend-Lease Administration in the Middle East, at the Middle East Supply Center (MESOC), Cairo; for correspondence regarding the decision of the United States in 1942 to participate with the British in the Middle East Supply Center, see *Foreign Relations*, 1942, vol. iv, pp. 1 ff.

in mind. For your information, both the Department and OLLA⁵² favor the extension of Lend-Lease assistance to Saudi Arabia and OLLA has so recommended to the President, before whom the matter is now pending. OLLA has been informed that, in the event of a favorable decision, it would be highly desirable to inform Ibn Saud of the matter and to obtain his reaction before public announcement is made. The Department agrees that it would be a mistake to encourage the Saudi Arabs to have greater hopes of Lend Lease assistance than we might be able or willing to extend.

HULL

890F.515/4 : Telegram

The Chargé in Saudi Arabia (Shullaw) to the Secretary of State

JIDDA, February 10, 1943—11 p. m.

[Received February 11—10:50 p. m.]

12. Reference my 11, February 9, midnight.⁵³ London has informed Wikeley, British Chargé in Jidda, that one or two Palestinian currency control experts are coming to Jidda to discuss and study problem of note issue.

The 5,000,000 new rials shipped from Bombay on January 21 arrived Jidda February 4 and have already been distributed by the Government in payment of salaries several months overdue leaving treasury empty. The Government has had to sell rupees at 66 to the gold pound in order to acquire gold with which to buy rials.

In original plan of aid for Saudi Arabia proposed in November by British Minister in Jidda it was anticipated that Casoc would supply 3,000,000 rials in 1943. With veto of this plan by London and substitute proposal Casoc anticipates increase in aid to be given. Amount and form of aid undecided as yet.

Repeated to Cairo.

SHULLAW

890F.515/5 : Telegram

The Chargé in Saudi Arabia (Shullaw) to the Secretary of State

JIDDA, February 15, 1943—8 p. m.

[Received February 17—12:53 p. m.]

16. My 12, February 10, 11 p. m. On February 13 a British warship brought 100,000 sovereigns to Jidda for the Saudi Government. This amount is equivalent to roughly 5 million rials and is expected to tide Government over difficult period. Wikeley believes further gold shipment must be requested in about 2 months.

⁵² Office of Lend-Lease Administration.

⁵³ Not printed.

Supply situation with India no longer able to export forces Saudi Government to turn to Middle East Supply Corporation. Crops in the interior will be harvested in 3 months and should help meet needs since rains have given hopes for good yield.

Repeated to Cairo.

SHULLAW

890F.24/32

President Roosevelt to the Lend-Lease Administrator (Stettinius)

WASHINGTON, February 18, 1943.

MY DEAR MR. STETTINIUS: For purposes of implementing the authority conferred upon you as Lend-Lease Administrator by Executive Order No. 8926, dated October 28, 1941, and in order to enable you to arrange for Lend-Lease aid to the Government of Saudi Arabia, I hereby find that the defense of Saudi Arabia is vital to the defense of the United States.

Sincerely yours,

FRANKLIN D. ROOSEVELT

890F.516/1

Memorandum of Conversation, by the Adviser on International Economic Affairs (Feis)

[WASHINGTON,] February 19, 1943.

By agreement with the Foreign Oil Policy Committee, I brought before Sir Frederick Phillips⁶⁴ this afternoon, on the occasion of his visit to this office on other business, the reports regarding certain projects in the banking and currency field in Saudi Arabia. I spoke quite openly.

I said that as he knew, the budget of Saudi Arabia over the past few years had proven continuously insufficient. The British and American Governments had both been called upon to make up the deficits. The advances of the British Government I understood now exceeded \$20,000,000. The American oil companies had advanced in the neighborhood of \$10,000,000 and now the American Government was on the point (after informal discussion of the matter with the British Government) of extending lend-lease assistance on a very modest scale to Saudi Arabia. Our participation in this assistance program naturally gave us an interest in all economic developments there.

I said to him besides he was no doubt aware that American oil interests had large properties in Saudi Arabia, in the stability and welfare of which this Government had a great interest.

I informed him that reports had come to us from our representatives in Jidda and elsewhere that British representatives had been

⁶⁴ British Treasury representative in Washington; head of the British Supply Council in North America.

working out proposals and perhaps discussing these with representatives of Ibn Saud's Government which, according to our information, seemed to contemplate the establishment of a bank of issue in Saudi Arabia and a program of currency issue. We did not reliably know what the nature of the project under consideration was, or how it would operate, or how far it had been advanced. We would greatly welcome advices from the British Government on all of these matters.

I stated that after due study of the subject it might well be, if there seemed to be an opportunity for any such useful undertaking at this time, we might wish to suggest to the British Government that it be carried out jointly by the American and British interests, but always in accord with Ibn Saud. Sir Frederick Phillips listened to these professions with calm and without any change in his friendly gaze. He said he would endeavor to find out what he could as to what might be under consideration in these matters and put it at our disposal. He said he probably would act through direct inquiry of the Treasury, but it may be on thinking it over that he would want to refer the matter to the Embassy and have any future discussions on it carried on through the Foreign Office.

890F.24/21a : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, February 20, 1943—5 p. m.

291. On February 18 the President declared the defense of Saudi Arabia vital to the defense of the United States, thus rendering Saudi Arabia eligible to receive Lend-Lease aid.

Please instruct Jidda to convey this information immediately to King Ibn Saud and to ascertain whether this finding of the President is agreeable to him.

Jidda should report promptly directly to the Department, in as much as publicity regarding the matter is being withheld pending notification to the King.

HULL

890F.24/23 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, February 26, 1943—9 a. m.

[Received 2:51 p. m.]

417. Department's 291, February 20, 5 p. m. After consultation with Jidda, consensus of opinion is that Ibn Saud will doubtless welcome announcement of eligibility of Saudi Arabia to Lend-Lease but likely immediately to rouse question of obligations of Saudi Arabia thereunder and nature of extent of practical benefit to be gained therefrom. It has also been suggested that personal and direct

presentation of matter to King [would be] advisable for reasons of both effectiveness and courtesy and therefore it might prove desirable for either Moose⁵⁵ or myself to proceed there for that purpose. Accordingly please advise urgently when Moose is arriving.

I assume direct aid is to be extended rather than utilizing method of retransfer from British. Certainly through direct aid we would be given more credit for our efforts to be of assistance and I strongly recommend this method be used.

Question will naturally arise regarding payment for Lend-Lease goods. I suggest in this connection that usual method of delivery of goods under plan for postwar settlement be followed in view of Saudi Arabian financial situation. In other Middle Eastern countries Lend-Lease goods are sold for cash as means of combating inflationary tendencies resulting from large war expenditures but entirely opposite situation prevails in Saudi Arabia.

As to nature of Lend-Lease aid to be extended, please see Legation's number 412, February 24, 8 a. m.,⁵⁶ from Rountree⁵⁷ advising allocation by Middle East Supply Center of 60 trucks to Saudi Arabia. These trucks could be delivered immediately as Lend-Lease transaction and would provide an excellent initial taken [*token?*] of American aid. Delivery, however, must be made at once because of pressing demand for motor transport to move foodstuffs in Saudi Arabia and could not wait negotiation of a Lend-Lease agreement. If it is deemed necessary, however, situation might be met by signing separate interim and tentative agreements for this and each succeeding obligation incurred under Lend-Lease deliveries.

Another possibility of immediate aid would be furnishing of equipment for irrigation project ordered for the Saudi Arabians by California-Arabian Standard Oil Company. This equipment, delivery of which is supported by MESC and is vitally important, is now under commercial order in the United States but could be taken over by Lend-Lease.

Although I consider it of utmost importance to be able to associate initial Lend-Lease discussion with King with concrete proposals for immediate aid such as suggested above, generally speaking, effort would be made to avoid raising exaggerated hopes of King and it would be explained that our efforts to be of assistance would be contingent upon approval by MESC as in the case of other countries of the area and current limitations in respect of supplies and shipping.

In summary I would recommend that aid to Saudi Arabia should be on direct Lend-Lease basis with the understanding that arrange-

⁵⁵ James S. Moose, Jr., Chargé in Saudi Arabia except during such periods as the Minister might be present at Jidda.

⁵⁶ Not printed.

⁵⁷ William M. Rountree, principal assistant to the American Lend-Lease representative at Cairo.

ments for payment will be made later and that steps be taken to give immediate effect to declaration by placing above-mentioned delivery of trucks under Lend-Lease and considering similar action in respect of pumps with understanding that other recommendations will be made as the situation develops.

Winant and Rountree concur in the foregoing. Please advise urgently Department's and Office of Lend-Lease Administration's opinions and instructions in order to facilitate adequate presentation of matter to King as soon as possible.

Immediately prior to notification to King, I propose informing Minister of State here of our intended action and suggesting that our Chargé at Jidda similarly advise his British colleague.

Repeated to Jidda.

KIRK

890F.515/15a

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

No. 2472

WASHINGTON, March 6, 1943.

The Secretary of State encloses for the information of the Chargé d'Affaires a copy of a memorandum of conversation⁵⁸ which took place on February 19, 1943 between an officer of the Department and Sir Frederick Phillips of the British Supply Council in North America. During this conversation Sir Frederick Phillips was requested to ascertain from his Government more detailed information regarding certain projects being considered by the British Government in the banking and currency field in Saudi Arabia.

It is desired that the Embassy make parallel inquiries of this character of the appropriate British authorities in such a way as not to conflict with the inquiries being made by Sir Frederick Phillips. It is understood, however, that Sir Frederick Phillips has referred the matter to the British Embassy at Washington, which is making inquiries through the Foreign Office in London.

890F.24/23 : Telegram

The Acting Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, March 11, 1943—4 p. m.

364. Your no. 417, February 26, 9 a. m. You are authorized to proceed to Saudi Arabia in order to discuss lend-lease matters personally with King Ibn Saud. Rountree is authorized to accompany you if you so desire in the exercise of your discretion. Your travel is chargeable to item for travel expenses in Legation's contingent

⁵⁸ *Ante.* p. 859.

expense allotment and Rountree's to existing allotment travel auxiliary funds.

It has been decided in principle jointly by the Department and the Office of Lend-Lease Administration, after consultation with officials of the British Embassy in Washington, to extend straight (as distinguished from cash reimbursable) and direct (as distinguished from retransfer through the British) lend-lease aid to Saudi Arabia in view of unusual fiscal conditions obtaining in that country. You may inform the King of this decision to extend direct lend-lease aid but you should, as you suggest, avoid raising exaggerated hopes on his part, pointing out the **supply and shipping problems involved** but assuring him that the needs of his country will be given most sympathetic consideration and that it is intended to furnish such supplies as circumstances permit.

You should acquaint the King also with the policy of this Government, in accordance with the law, in regularizing lend-lease arrangements by the negotiation of a lend-lease agreement. This has been done, or is in the process of being done, in the case of every country to which lend-lease aid has been extended. By means of this agreement, as you know, the recipient of lend-lease aid is given an opportunity to provide reimbursement for aid extended in such form and amount as circumstances warrant within the capacity of the recipient. You should point out to the King, however, that the nature and extent of such reimbursement on principles of fairness and equity would be determined only with his willing assent.

The following is from Stettinius for Rountree and for your information and guidance with reference to your no. 412, February 24, 8 a. m.⁵⁹ "In re 60 trucks allocated by MESC for immediate delivery to Saudi Arabia: **if requisition numbers are available, or failing that the serial numbers or other identification of the lend-lease trucks can be provided to OLLA so that bookkeeping transfer can be effected, then you are authorized to arrange to have Ibn Saud informed that these trucks are available to Saudi Arabia under direct lend-lease. Authorized representative of Saudi Arabian Government may sign appropriate requisition which should be forwarded to Washington by Rountree.**"

In view of difficulties involved in obtaining new machinery for the Saudi Arabian irrigation project, Wathen⁶⁰ has been dispatched on a special mission by the Department to the western part of the United States to ascertain what machinery belonging to the Government on Indian reservations may be available for this purpose. If he finds

⁵⁹ Not printed.

⁶⁰ Albert L. Wathen, Chief of the Engineering Branch, Office of Indian Affairs, Department of the Interior, and a member of the American Agricultural Mission to Saudi Arabia in 1942-43; for correspondence regarding this Mission, see *Foreign Relations*, 1942, vol. iv, pp. 561 ff.

sufficient equipment an endeavor will be made to make it available to Saudi Arabia under lend-lease; if not efforts will be made to secure the equipment from other sources for delivery under lend-lease. In your conversations with the King you may state that this Government is making every effort to provide this equipment on a lend-lease basis.

Moose is in the United States but will return to Jidda as soon as transportation becomes available.

Please inform Jidda of the substance of this telegram.

WELLES

890F.515/6 : Telegram

The Chargé in Saudi Arabia (Shullaw) to the Secretary of State

JIDDA, March 22, 1943—noon.

[Received 6:35 p. m.]

22. My 12, February 10, 11 p. m. Representative of Palestine Currency Control Board in Jidda for past week explaining to Saudi Government British proposal for Saudi note issue.

Outline of proposal: (1) Saudi Arab Currency Control Board to be located in London and composed of Saudi Arab Minister, British Government representative and Bank of England representative; (2) British Government will supply Board with sterling amount equal to number of new rials needed for Saudi internal requirements or an estimated 25 million rials; (3) Board to issue rial notes with actual issuance in Saudi Arabia handled jointly by Saudi Arab official and agent of currency board. To be noted that present plan does not contemplate participation by any bank; (4) currency needs in excess of sterling amount provided by British Government must be backed by additional capital supplied board by Saudi Arab Government from other income sources; (5) same sterling exchange as rupees; (6) plan if adopted effective January 1, 1944.

Religious objections to paper currency still finding voice but believed balance in favor of some form of note issue. Plan proposed now under consideration by Saudi Government.

Repeated to Cairo.

SHULLAW

890F.24/23 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, March 26, 1943—8 p. m.

444. Department's no. 364, March 11, 4 p. m. Although unable to find suitable used irrigation machinery, Wathen has ascertained where new equipment can be secured if priorities can be obtained to permit its transfer to the Saudi Arabian Government under Lend-Lease pro-

cedure. The Lend-Lease authorities however are unable to take steps to establish such priorities until it is ascertained that the Saudi Arabian Government desires to become a recipient of Lend-Lease aid.

In as much as it is understood that the machinery must be installed and in operation by next November in order to prepare land for planting of the next crop, please indicate the nature of your plans for proceeding to Saudi Arabia to confer with Ibn Saud.

HULL

890F.24/24 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, March 27, 1943—3 p. m.

[Received March 27—12: 26 p. m.]

590. Department's 444, March 26, 8 p. m. Having ascertained that Ibn Saud is at or near Riyadh,⁶¹ I propose to leave for Saudi Arabia via Bahrein within a week's time provided airplane travel can be arranged. Hare⁶² and Rountree will accompany me.

Am gratified that prospects of obtaining irrigation machinery for Saudi Arabia are favorable.

KIRK

890F.515/10

The Ambassador in the United Kingdom (Winant) to the Secretary of State

No. 8599

LONDON, April 12, 1943.

[Received May 5.]

SIR: I have the honor to refer to the Department's instruction no. 2472 dated March 6, 1943, requesting the Embassy to obtain information regarding banking and currency projects which it is understood the British Government is considering for Saudi Arabia, and to enclose herewith a copy of a memorandum of conversation between representatives of our Treasury and a British Treasury official, and a copy of an informal communication from the Foreign Office.⁶³

From these enclosures it will be seen that while the establishment in Saudi Arabia of a bank of issue is not being contemplated, it has been proposed to set up a Currency Board which will issue paper rials convertible into sterling.

Ibn Saud, it has been pointed out by British officials, has been paid a subsidy by the British Government for the past two years which

⁶¹ The capital of Saudi Arabia; the King spent only a week or ten days of each year, during the pilgrimage season, at Jidda, location of the diplomatic establishment.

⁶² Raymond A. Hare, Second Secretary of Legation in Egypt.

⁶³ Neither printed.

represents the loss of revenue formerly derived from pilgrimage and customs duties. The subsidy has been paid in part in goods and in part in silver rials minted in India. As it is becoming very difficult to obtain silver rials, the scheme to provide paper rials through a Currency Board was devised.

Respectfully yours,

For the Ambassador:
W. J. GALLMAN
First Secretary of Embassy

890F.24/27 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, April 13, 1943—9 p. m.

[Received April 13—7:23 p. m.]

696. Department's 364, March 11, 4 p. m. Following a series of conferences with Ibn Saud and his advisors at his camp near Maghalla⁶⁴ the King expressed his appreciation of the President's offer to render Saudi Arabia eligible to Lend-Lease and is awaiting the President's declaration to that effect.

Eighty Lend-Lease trucks now en route to Saudi Arabia will constitute the first shipment under direct Lend-Lease and the Saudi Arabian Minister of Finance⁶⁵ signed the requisition covering this shipment which Rountree submitted to him following the conferences.

The Minister of Finance expressed great interest in procuring irrigation machinery and accordingly I shall appreciate advices at the earliest possible moment as to the possibility of obtaining under direct Lend-Lease the pumps mentioned in the Department's telegram under reference the specifications which I understand are merely a temporary expedient pending the installation of the complete and permanent equipment. Specifications for the complete equipment can be obtained from the San Francisco office of Casoc.

A report of the conversations with Ibn Saud and his advisors relating to Lend-Lease will follow.⁶⁶

KIRK

890F.515/7 : Telegram

The Chargé in Saudi Arabia (Shullaw) to the Secretary of State

JIDDA, April 21, 1943—6 p. m.

[Received April 22—10:20 a. m.]

29. My 22, March 22, noon. Saudi Government apparently approves bank plan and currency issue but is asking full coverage in gold and silver during first year of operation in order that full re-

⁶⁴ During the period April 7 to April 10.

⁶⁵ Shaikh Abdullah Suleiman.

⁶⁶ Despatch No. 1005, April 26, not printed.

demption could be made. Reason given is that this necessary to instill confidence in notes.

British Government reported to be hesitant about this proposal and concerned at present with the problem of establishing a ratio between sterling gold and rial notes. Fear is that higher value of gold in terms of sterling in neighboring countries might result in flight of Saudi gold in short time.

SHULLAW

890F.24/32a : Telegram

The Secretary of State to the Chargé in Saudi Arabia (Shullaw)

WASHINGTON, April 21, 1943—9 p. m.

14. Please obtain from the appropriate representative of the Saudi Arabian Government the representations required by Sections 4 and 7 of the Lend-Lease Act as a prerequisite to approval by this Government of requisitions for Lend-Lease aid.

This usually takes the form of a letter to the President as follows:

“My dear Mr. President: On behalf of Saudi Arabia, pursuant to Sections 4 and 7 of the Lend-Lease Act of March 11, 1941, I hereby represent that:

(1) Every contract or agreement for the disposition of any defense article or defense information, pursuant to Section 4 of the Act of March 11, 1941, to Saudi Arabia shall be deemed to include a clause that Saudi Arabia will not, without your consent, or the consent of someone designated by you for that purpose, under the Act, transfer title to or possession of such defense article or defense information by gift, sale or otherwise, or permit its use by anyone not an officer, employee or agent of Saudi Arabia; and

(2) If, as a result of the transfer to Saudi Arabia of any defense article or defense information, it is necessary, pursuant to Section 7 of the Act of March 11, 1941, fully to protect the rights of any citizen of the United States who has patent rights in and to any such defense article or information, Saudi Arabia will do so, when so requested by you or your designee for that purpose.”

HULL

890F.515/8 : Telegram

The Chargé in Saudi Arabia (Shullaw) to the Secretary of State

JIDDA, April 22, 1943—noon.

[Received 7:20 p. m.]

31. Reference my 29, April 21, 6 p. m. British patrol boat brought 100,000 gold sovereigns for Saudi Arab Government to Jidda on April 9. Saudi Government is short of rials and is paying salaries of employees in gold. The rial is strengthening in terms of the sovereign.

Repeated to Cairo.

SHULLAW

890F.24/31 : Telegram

The Chargé in Saudi Arabia (Shullaw) to the Secretary of State

JIDDA, April 24, 1943—9 a. m.

[Received 7:51 p. m.]

33. Wikeley told me today that Saudi Government had requested British approval of plan to ask for arms under Lend-Lease from the United States. At Saudi request, question referred to London.

Repeated to Cairo.

SHULLAW

890F.515/9 : Telegram

The Chargé in Saudi Arabia (Shullaw) to the Secretary of State

JIDDA, April 24, 1943—10 a. m.

[Received April 25—2:40 p. m.]

34. Reference my 29, April 21, 6 p. m. British Chargé today told me that Saudi Government had informed him of intention to request gold under Lend-Lease from the United States to meet present difficult financial situation.

We duly expressed the opinion that if we should supply gold the same problem would arise as that presently facing British in currency issue plan. Namely, flight of gold to neighboring countries, particularly Iraq and Turkey, where gold in terms of sterling is more valuable.

Chargé went on to say he had estimated 600,000 sovereigns required to cover rial note issue during first year until confidence established. Entire amount not required immediately but to be supplied as note issue expanded. Possible flight of gold to Iraq and Turkey difficult to control because of inadequate border patrol and serious consideration because of danger gold is already reaching Axis through these channels. Wikeley mentioned that estimated 95,000 sovereigns smuggled into Iraq in last 4 months and of this it is probable considerable amount is from Saudi Arabia. London, he said, was studying methods of safeguarding gold covering proposed currency issue.

Repeated to Cairo.

SHULLAW

890F.24/35 : Telegram

The Chargé in Saudi Arabia (Shullaw) to the Secretary of State

JIDDA, May 6, 1943—4 p. m.

[Received May 7—9:04 a. m.]

41. My 33, April 24, 9 a. m. British Government has replied to Saudi query by explaining pooling of American and British munitions and stating that Saudi request for arms should properly be

taken up either through Saudi Legation in London or British Legation in Jidda. Request probably will be handled through Saudi Minister in London.

Repeated to Cairo.

SHULLAW

890F.515/11 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, May 11, 1943—9 a. m.

[Received 10:57 a. m.]

861. Following telegram has been repeated to Jidda.

Jidda 34, April 24, Department's instruction 369, March 6.⁶⁷ British officials here and in Jidda now question the suggested plan for the issuance of Saudi paper currency on the ground that many Arabs, particularly those living in the interior of Arabia, might refuse to accept it.

A suggestion has been made that more silver rials be placed in circulation to relieve the acute shortage of currency in Saudi Arabia. The suggestion includes a provision for varying if need be the hitherto uniform but often inoperative exchange rate of one rial equals one rupee in order to prevent flight of silver from the country. In informal discussions Saudi officials have reacted favorably largely because (1) the general acceptance of paper notes is doubtful (2) the sovereign has risen to the inconvenient value of 24 dollars in Jidda and so is too large for many transactions and (3) despite the meteoric use [*rise?*] in the value of the sovereign, the rial has risen faster, and continued imports of gold would tend to make silver appreciate still further.

In exploring the possibility of further coinage of silver, it has been learned that the British Treasury probably will not be able to supply the requisite quantity of silver nor will current demands permit utilization of British Mint facilities.

To assist in further exploration of this or other plans to relieve Saudi currency ills, and, of course without the assumption of any obligation, it would be appreciated if the Department could advise whether or not existing legislation permits the U.S. Government to release silver for export.

If silver could be supplied to Saudi Arabia under Lease-Lend arrangements or on other terms, it would be useful if U.S. mints have capacity available to produce 15 million rials in the latter half of 1943 from dies which could be flown from India.

KIRK

⁶⁷ Instruction No. 369 not printed.

890F.51/52a : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, May 17, 1943—8 p. m.

680. The Department has been informed that a meeting is scheduled to take place in Cairo in the near future for the purpose of considering Saudi Arabian financial problems. If such a meeting is about to be held, you may, if you consider it advisable, authorize Moose to remain in Cairo to attend, together with any other member of your staff whom you may wish to select.

HULL

890F.515/12 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, May 21, 1943—6 p. m.

[Received May 22—11 a. m.]

928. Department's 680, May 17, 8 p. m. Moose has left for Jidda but before his departure he and British Chargé d'Affaires at Saudi Arabia had conversations here with Economic Adviser Ministry of State relative to Saudi Arabian currency question. See Legation's 861, May 11, 9 a. m.

Economic Adviser is not in Cairo at present but his office states that no further discussions are scheduled for near future on above question and that their nature would, in any case, depend on Department's reply to questions raised in Legation's 861 which Moose drafted after consultation with Economic Adviser.

Department's 680 and this message repeated to Jidda.

KIRK

890F.515/13 : Telegram

The Appointed Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, May 29, 1943—10 a. m.

[Received 11:48 a. m.]

46. Cairo's 928, May 21, 6 p. m. On receipt of a reply to Cairo's 861, May 11, further consideration can be given to acute Saudi currency problem.

British Legation here has just requested an additional 100,000 sovereigns for current needs of local government.

Repeated to Cairo.

MOOSE

890F.515/13 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, June 3, 1943—8 p. m.

735. The questions raised in your 861, May 11, 9 a. m., and Jidda's 46, May 29, 10 a. m., as well as other matters relating to Saudi Arabian fiscal problems are receiving the close attention of the Department, which is engaged in discussions in regard thereto with other governmental agencies concerned in order to determine in what manner and to what extent it will be possible for this Government to assist. You and Jidda will be informed as soon as information is available.

Please repeat to Jidda as Department's No. 20.

HULL

890F.24/31 : Telegram

The Secretary of State to the Appointed Minister Resident in Saudi Arabia (Moose)

WASHINGTON, June 7, 1943—5 p. m.

22. Your 33, April 24, 9 a. m., and 41, May 6, 4 p. m. You should inform your British colleague⁶⁸ and make known to the appropriate Saudi Arabian authorities that it is the policy of this Government to receive direct inquiries from the appropriate Saudi Arabian officials regarding the availability of American military supplies to meet their needs, and that such supplies will be furnished to them if it is feasible to do so.⁶⁹

In communicating this information to your British colleague you should state that, in accordance with established procedure, finished munitions are assigned by the Munitions Assignments Board on which the British are represented.

HULL

890F.515/15 : Telegram

The Appointed Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, June 22, 1943—5 p. m.

[Received 6:27 p. m.]

55. Department's 20 to Jidda, 735 to Cairo, June 3, 8 p. m. Despite decline of sovereign to \$21, riyal continues to appreciate. George sovereign now brings only 40¾ riyals in Socal [*local?*] Bazaar. Today's scarcity value of riyal is 51.53 cents. Its value one year ago was 26.93 cents.

⁶⁸ Stanley R. Jordan, newly appointed British Minister.

⁶⁹ For correspondence regarding policy of the United States to deal directly with independent governments of the Near East with respect to furnishing military supplies, see pp. 1 ff.

British authorities have agreed to supply additional 100,000 sovereigns to Saudi Government and anticipated early receipt of gold should make riyal go still higher.

Repeated to Cairo.

MOOSE

890F.515/16 : Telegram

The Appointed Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, June 24, 1943—4 p. m.

[Received 8:34 p. m.]

58. My 55, June 22, 5 p. m. Today a sovereign costing \$21 will purchase only 38½ riyals making riyal value 54.54 cents. No new gold has yet arrived.

MOOSE

890F.24/41a : Telegram

The Secretary of State to the Appointed Minister Resident in Saudi Arabia (Moose)

WASHINGTON, July 3, 1943—6 p. m.

30. The implication of paragraph (d) of enclosure no. 3 of Cairo's despatch no. 1005 of April 26, 1943⁷⁰ seems to be that the representations required pursuant to Sections 4 and 7 of the Lend-Lease Act will be included in a receipt obtained each time goods are transferred to the Saudi Arabian Government. This is not necessary, since the representations, which usually take the form of the letter quoted in Department's telegram no. 14 of April 21, 1943, 9 p. m., are intended upon signature by the appropriate Saudi Arabian official to cover all subsequent requisitions for lend-lease assistance. This signature is usually obtained prior to the approval by this Government of lend-lease requisitions and in any case should be obtained before the transfer of lend-lease materials to the requisitioning government. This may not have been made entirely clear in the telegram under reference.

HULL

890F.515/17 : Telegram

The Appointed Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, July 7, 1943—10 a. m.

[Received 4 p. m.]

64. My 55, June 22, 5 p. m. Number of pilgrims to Mecca this year is estimated as high as 50,000. Substantial numbers should begin arriving by end September and rush will begin a month later.

⁷⁰ Not printed.

All 15 million riyals referred to in Cairo's 861, May 11, 9 a. m. will be needed to combat upward tendency of riyal resulting from receipt of promised gold and influx of foreign currencies with pilgrims. A runaway riyal will cause destitution among pilgrims and otherwise aggravate difficulties of local government.

Long range plan mentioned in Department's 27, June 30, 1 [10] p. m.⁷¹ should not be permitted to distract attention from urgency of present needs.

Repeated to Cairo.

Moose

890F.24/41 : Telegram

The Appointed Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, July 9, 1943—11 a. m.

[Received 6:27 p. m.]

65. Department's 22, June 7, 5 p. m. Shaikh Yusuf Yassin ⁷² has delivered to Legation a list of military aid and equipment desired under Lend-Lease and gave copy to local British Legation.

List consists solely of eight general categories as follows:

- (1) Equipment for manufacture of cartridges and arms.
- (2) Equipment for repair of arms.
- (3) Rifles and cartridges.
- (4) Tanks, armed and armored cars for use on plains on rough terrain and in sand.
- (5) Light guns for emergency use.
- (6) Antiaircraft guns.
- (7) Airplanes to carry mail inside the country and for other uses.
- (8) Technicians to give instruction in use of all equipment.

Category 5 is believed to refer to light field guns transported by camel or truck. Motor transport needed but will be considered in connection with other motor equipment. Omission of machine guns was probably inadvertent.

In reply to query about quantities Shaikh Yusuf said local government could use any quantity available. He added that equipment for war strength of 100,000 men is needed.

The approximate size of Saudi Army was indicated in Legation's number 73, November 28, 5 p. m., 1942 to Cairo.⁷³ All military equip-

⁷¹ Not printed; it was a private telegram between officials of the California Arabian Standard Oil Company (Casoc) containing information as to the Department's interest and efforts in the direction of solving on a long-range basis the Saudi Arabian fiscal problem by means of a plan of currency stabilization (012.3/9605a).

⁷² Private secretary to King Ibn Saud and representative in Jidda of the Minister for Foreign Affairs; at this time Acting Minister for Foreign Affairs.

⁷³ Not printed; it was repeated to the Department in telegram No. 2124, December 2, 1942, 11 a. m., from the Minister in Egypt.

ment now on hand would doubtless be considered junk in any western country.

In my opinion tanks or any items supplied under categories 1 and 7 are not needed to maintain order in Saudi Arabia. Under some circumstances antiaircraft guns for Dhahran might be justified.

Repeated to Cairo.

MOOSE

890F.515/13 : Telegram

The Secretary of State to the Appointed Minister Resident in Saudi Arabia (Moose)

WASHINGTON, July 10, 1943—10 p. m.

34. Department's 735 June 3, Department is endeavoring to find a means of financing the purchase of silver and minting silver coins needed by Saudi Arabia. Please cable the minimum amount of silver coins which will be necessary for the remainder of this year, taking into consideration and setting forth for the Department's information British plans for financial assistance to Saudi Government in next 6 months from both budgetary and currency viewpoints independent of any assistance by this Government and similar information regarding plans of oil company to import additional rupees or other coins and to make further advances to Government in same period.

HULL

890F.515/18 : Telegram

The Appointed Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, July 14, 1943—6 p. m.
[Received July 14—1:37 p. m.]

66. Department's 34, July 10, 10 p. m. No minimum can be set but 15,000,000 rials already mentioned are urgently needed. By assay one rial weighs 11.635 grams and contains 909.15 parts silver per thousand.

British plan to supply local government with credits of 225,000 pounds sterling during each of next 6 months. Saudi budget for 1943 contemplated 25,000,000 rials expenditures to be supplied by British in silver or alternatively in gold at rate of 50 rials to invite commitment [*sic*] British have already supplied 5,000,000 rials and 200,000 sovereigns while a third 100,000 sovereigns is expected shortly pr [*sic*] two further shipments each 100,000 sovereigns will certainly be requested by Saudi Government, one to make up remainder of estimate and another to compensate for loss by exchange of gold at unfavorable rate now approximating 39 rials to sovereign. It is likely

that if 15,000,000 rials were supplied to Saudi Government British would suspend shipments of gold.

On April 24 oil company offered Saudi Government rupees equivalent to \$1,000,000 half payable in dollars if such payment would effectively aid solution of Saudi currency problem. Offer still stands but has not been accepted because Saudi Government has had little opportunity to spend rupees.

Rupees circulate at Dhahran at a discount of about 27% off rials. Company desires to use rials but if they are unobtainable it expects to import 450,000 rupees which added to 350,000 now on hand will meet requirements for last half 1943.

MOOSE

S11.5151/282

*Memorandum of Conversation, by Mr. W. Leonard Parker of the
Division of Near Eastern Affairs*

[WASHINGTON,] July 15, 1943.

Participants: Dr. Henry [*Harry*] White, Assistant to the Secretary
of the Treasury.
Mr. Bernstein, Treasury Department.
Mr. Luxford, Treasury Department.
Mr. Glendinning, Treasury Department.
Mr. Murray, PA/M ⁷⁴
Mr. Jernegan, NE ⁷⁵
Mr. Parker, NE

At Dr. White's request Mr. Murray, accompanied by Mr. Jernegan and Mr. Parker, attended a meeting in Dr. White's office for the purpose of discussing this Government's financial policy in the Near East.

[Here follows section relating to general fiscal problems of the Near and Middle East area as a whole.]

The conversation then turned to Saudi Arabia. Mr. Murray pointed out that there are important developments under way with respect to Saudi Arabia in which the President is greatly interested. In order that these important developments may take place it is essential that we support the existing Saudi Arabian regime by bolstering the Saudi Arabian economy through the extension of financial aid. Dr. White said that from a strictly financial point of view the Treasury is not interested in Saudi Arabia but that since the Department of State is interested for political reasons, the Treasury wishes to implement our political policy by means of a financial policy in accord therewith. He said that it would be possible to lend-lease silver to Saudi Arabia under a stabilization arrangement. It was pointed out

⁷⁴ Wallace Murray, Adviser on Political Relations.

⁷⁵ John D. Jernegan of the Division of Near Eastern Affairs.

that the Saudi Arabian problem consists of (1) the immediate need for silver, and (2) a long-range program to help Saudi Arabia to establish a workable and sound fiscal and monetary system. Dr. White said that Mr. Gunter, a Treasury representative now in New York awaiting sailing to the Near East, could be recalled and after consultation sent directly to Saudi Arabia by air. A telephone call to New York revealed that Mr. Gunter was still there, and he was instructed to return to Washington immediately. It is contemplated that the Saudi Arabian financial situation will be discussed with Mr. Gunter, who has some background knowledge thereof, and that Mr. Gunter, accompanied by our Chargé d'Affaires at Jidda, will discuss financial matters with King Ibn Saud and then report to the Treasury. Upon the receipt of Mr. Gunter's report it will be possible to determine what should be done to render financial assistance to Saudi Arabia.

[Here follows section dealing with Iran, printed on page 582; also section on India, not printed.]

890F.515/24

*Memorandum of Conversation, by Mr. W. Leonard Parker of the
Division of Near Eastern Affairs*

[WASHINGTON,] July 17, 1943.

Participants: Mr. Gunter, Treasury Department.
Mr. Murray, PA/M.
Mr. Livesey, FD.⁷⁶
Mr. Corliss, FD.
Mr. Alling, NE.
Mr. Merriam, N.E.⁷⁷
Mr. Parker, NE.

Following a recent discussion with Dr. White of the Treasury Department in which it was decided that the Treasury would send Mr. Gunter to Saudi Arabia,⁷⁸ Mr. Gunter called at the Department in order to discuss matters relating to his proposed trip to Saudi Arabia.

It was pointed out at the beginning of the conversation that there are two major problems involved: (1) the possibility of making silver available to the Saudi Arabian Government in order to alleviate a shortage of coins; and (2) the long-range problem of assisting the Saudi Arabian Government to establish a sound and workable fiscal system.

⁷⁶ Frederick Livesey, Chief of the Division of Financial Affairs.

⁷⁷ Gordon P. Merriam, Assistant Chief of the Division of Near Eastern Affairs.

⁷⁸ See memorandum of conversation by Mr. Parker, July 15, *supra*.

Mr. Murray explained the great political and strategic importance of the oil resources in Saudi Arabia, pointing out the necessity of maintaining a sound economic system inside Saudi Arabia in order that these oil resources may continue to be available. It was brought out that in order to furnish silver under lend-lease procedure there must be a guarantee that the silver will be returned in kind. In view of the potential wealth accruing to the Saudi Arabian Government from oil royalties, it was considered probable that the Saudi Arabian Government would be able to return the silver in due course. However, it was agreed that the best we could expect would be a guarantee to return the silver on the part of King Ibn Saud. His guarantee, we may assume, would not be given lightly. Mr. Livesey said that in connection with the transactions involving the lend-leasing of silver, it had been stipulated that the Congressional Special Silver Committee must be consulted. He suggested that in taking the matter up informally with the Committee, the Treasury and Lend-Lease must be, and apparently now are, in a position to say that no doubt is felt of the ability of Saudi Arabia to return the equivalent amount of silver after the War. In connection with the return of silver in kind, it was decided that the small amount of concentrates produced by the Saudi Arabian Mining Syndicate would not be in sufficient quantity to assist materially in making arrangements for a return of silver in kind.

Mr. Murray then referred to previous British proposals, first, to establish a bank of issue in Saudi Arabia and, later, to set up a Saudi Arabian currency board in London. Mr. Murray expressed the opinion that the United States should have something to say about such matters, in view of the large economic interests of this country in Saudi Arabia arising out of the American oil concession. It was agreed that consideration should be given to the advisability and feasibility of assisting the Saudi Arabian Government to establish a bank or suitable financial institution in Saudi Arabia and that, if done, this should be with American rather than British advice and assistance. Mr. Livesey remarked that the establishment of a bank might be aided by a larger importation of goods into Saudi Arabia. Mr. Murray stated that we have realized the importance of goods to Saudi Arabia and that it would be highly desirable to make available to Saudi Arabia rice, wheat, cotton goods, coffee and sugar. He said he wondered whether the clearing of the Mediterranean would permit greater shipments of goods to Saudi Arabia. If goods could be sent, Saudi Arabian financial difficulties would be aided materially thereby. Mr. Gunter expressed agreement that shipments of goods would offer the best solution of the problem. Mr. Murray remarked that the problem is relatively simple because the Saudi

Arabs need so comparatively few goods. He stated that he wondered whether it would not be possible to rectify the balance by getting some more goods in. Mr. Gunter remarked that the use of goods would facilitate the use of paper currency if paper currency should be adopted. Mr. Murray remarked that the use of goods would help to bring in revenue and mentioned that the pilgrim traffic, reestablished, would serve as a source of revenue to buy goods.

At this point Mr. Murray stated that the President has expressed a personal interest in improving the standard of living in Saudi Arabia and that the President desires that the oil resources of Saudi Arabia redound to the benefit of the people of that country. Mr. Murray said, furthermore, that King Ibn Saud desires to change over from a Bedouin to an agricultural economy.

Returning to a discussion of the silver question Mr. Livesey stated that Mr. Gunter should be in a position not to hedge with King Ibn Saud but should be authorized to inform the King that we would accept his guarantee that the silver would be returned. It was agreed that this question should be decided before Mr. Gunter's departure. It was the consensus of opinion that in view of the probable size of future oil royalties there was not much need to worry about securing a return of the silver. Mr. Alling remarked that the California Arabian Standard Oil Company is of the opinion that it can take out of Saudi Arabia all the oil it can sell during the remaining sixty-year period of the concession.

At this point Mr. Alling mentioned parenthetically the need in Ethiopia for Maria Theresa silver dollars. Mr. Murray spoke of the President's interest in Ethiopia and referred to Mr. Deressa's⁸⁰ memorandum on Ethiopia⁸¹ which had greatly interested the President.

The discussion then returned to a consideration of Saudi Arabian matters. Referring to the British proposals for the establishment of a currency board in London, Mr. Parker remarked that plans which had been suggested for solving financial problems in Saudi Arabia did not contemplate developments likely to take place in Saudi Arabia in the near future. In as much as greatly increased oil revenues may assist materially in modernizing this Bedouin country, the furnishing of silver may be regarded only as a "shot in the arm". We should not lose sight of the long-range problem of assisting the Saudi Arabian Government to establish a sound monetary system.

Mr. Livesey expressed the opinion that the Legation at Jidda should be informed immediately to use its influence to keep the Saudi Arabian situation liquid and not to permit the Saudi Arabian Government to

⁸⁰ Yilma Deressa, Ethiopian Vice Minister of Finance.

⁸¹ Dated July 12, p. 101.

tie itself up financially with some other country before we have a chance to take action. It was agreed that a telegram to this effect should be sent to the Legation.

With regard to a bank in Saudi Arabia, it was pointed out that large contemplated increases in the American and Saudi Arabian staffs of the oil companies would create a number of customers for a bank. It was the consensus of opinion that there has been an over-emphasis on the difficulties involved in issuing paper currency in Saudi Arabia.

Mr. Murray advised Mr. Gunter to keep in very close touch with the State Department representatives during his trip and suggested that while passing through Cairo he consult with Mr. Kirk and Mr. Hare. It was suggested also that he discuss with Mr. Moffat⁸² the possibility of getting more goods into Saudi Arabia. Mr. Gunter was advised also to cooperate very closely indeed with Mr. Moose while he is in Saudi Arabia and also to seek an opportunity to obtain such factual information regarding the financial situation as may be secured from officials of the California Arabian Standard Oil Company and other informed business sources.

It is expected that Mr. Gunter will call upon Ibn Saud, accompanied by Mr. Moose. Although Mr. Gunter will not have the authority to enter into any agreement with the King, nevertheless it is expected that he will ascertain just what arrangements would be agreeable to the King and obtain precise, factual information about the financial needs of Saudi Arabia. It was understood that before proceeding from Saudi Arabia to other countries Mr. Gunter would render a full and complete report to Washington.

890F.515/20 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, July 24, 1943—11 a. m.

[Received 5 : 45 p. m.]

70. My 66, July 14, 6 p. m. Third hundred thousand sovereigns arrived today. Saudi Government has been borrowing locally and substantial portion of new shipment will be used for repayments. Thus financial tension will be eased only slightly if at all. Meanwhile pilgrimage draws nearer.

Unless a decision is reached with regard to silver for Saudi Arabia before Colonel Hoskins⁸³ sees King, certain of King's advisers will inevitably interpret delay in formulating silver policy as designed to

⁸² Presumably Douglas Moffat, acting principal American representative at the Middle East Supply Center, Cairo.

⁸³ Lt. Col. Harold B. Hoskins; regarding the visit by Lt. Col. Hoskins to Saudi Arabia, see pp. 796-821, *passim*.

influence King's reply and such interpretation may plague future relations with Saudi Arabia.

Hoskins is being advised of possibility.

MOOSE

891.51/7-2443

Memorandum of Conversation, by Mr. Paul F. McGuire of the Office of the Adviser on International Economic Affairs (Feis)

[WASHINGTON,] July 24, 1943.

Participants: Messrs. Bernstein, Gunter, Glendinning, Treasury Dept.

Col. Luscombe, Persian Gulf Service Command, U.S. Army;

Major Patton, Finance Division, War Department

Mr. Livesey, Financial Division, State Department

Messrs. Jernegan, Parker, Near Eastern Division, State Dept.

Mr. McGuire, Office of Adv. Int'l Eco. Affairs, State Dept.

Following the discussion on Near East Financial Policy held at the Treasury on July 15, 1943 (reported in full by Mr. Parker), this meeting was held to discuss further developments and to instruct Mr. Gunter, who was about to leave on a trip to Iran, Saudi Arabia and Turkey.

[Here follows section regarding Iran, printed on page 587.]

REGARDING SAUDI ARABIA

Little new information was forthcoming on Saudi Arabia. It was reiterated that the Saudi Arabian problem consists of (1) the immediate need for silver coins, and (2) a long range program to help Saudi Arabia to establish a sound modern fiscal and monetary system. The Treasury is willing to Lend-Lease silver to the amount of 7,500,000 ozs. worth a little over \$3,000,000. Mr. Gunter is to obtain King Ibn Saud's guarantee that the silver will be returned in kind, as is required on all Lend-Lease transactions in silver. A complication arises from the fact that the dies from which the Saudi Arabian coins have been minted are in India. Since Indian mints are working to capacity, Mr. Bernstein suggested that we should be prepared to mint the coins in this country. It had been suggested that the dies now in India be flown to America, but Mr. Bernstein felt that the British might object to giving up the dies. Accordingly, Mr. Gunter was instructed to send sample coins by pouch, so that we could study the practicability of making dies from them.

Mr. Parker made several suggestions as to how Mr. Gunter should proceed in dealing with King Ibn Saud. Mr. Moose, Minister at Jidda, will accompany Mr. Gunter on his visit to the King. Mr. Gunter was asked to talk with Dr. Feis⁸⁴ of the State Department concerning certain aspects of our interests in Saudi Arabia.

It was agreed that Mr. Gunter should proceed first to Iran, then to Saudi Arabia, then to Turkey.

890F.515/21 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, July 26, 1943—1 p. m.

[Received 6:08 p. m.]

73. My 66, July 14, 6 p. m. Saudi Government agreed on July 21 to accept from oil company rupee equivalent of \$500,000.

MOOSE

890F.51/52d : Telegram

The Secretary of State to the Minister Resident in Saudi Arabia (Moose)

WASHINGTON, July 26, 1943—10 p. m.

37. Mr. John W. Gunter, a representative of the Treasury Department, will depart from the United States by air within the next few days for Jidda in order to obtain for the Treasury first-hand information regarding the Saudi Arabian financial situation and to ascertain what arrangements this Government can make with King Ibn Saud (1) to provide silver to meet immediate currency needs and (2) to assist the Saudi Arabian Government in working out a sound long-range currency plan. Although Mr. Gunter will not be authorized to make any definite commitments on behalf of this Government, it is contemplated that he will explore the situation thoroughly with the King and other Saudi Arabian officials and will consult with Casoc officials.

Mr. Gunter has been instructed to work very closely with you in regard to these matters and you should, of course, give him all appropriate advice and assistance. You should accompany him personally when he visits the King and upon all other occasions when considered advisable.

It is desired to avoid all publicity regarding this mission, both before and after Mr. Gunter's arrival. He will be en route to other points in the Near East and his visit to Saudi Arabia may be ex-

⁸⁴ Herbert Feis, Adviser on International Economic Affairs.

plained as for the purpose of examining and reporting on the silver currency shortage in respect of which this Government's aid in making silver available has been requested.

In view of Mr. Gunter's visit and the prospective contribution that this country may be able to make to the satisfactory handling of Saudi Arabia's monetary questions, it would appear highly desirable that the Saudi Arabian Government undertake no arrangements in the monetary field which would prevent or make more difficult the working out of satisfactory arrangement with the United States. You are instructed to assure that this does not happen.

Further details regarding Mr. Gunter's trip will be telegraphed to you subsequently.

HULL

890F.515/22 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, July 28, 1943—11 a. m.

[Received August 1—1:02 p. m.]

1335. Legation's 861, May 11, 9 a. m.; and Department's 735 June 3, 8 p. m. Because of gold transaction described in Department's 958, July 20, 6 p. m.,⁸⁵ a decision as to the question of the availability of Lend-Lease supplies of silver to Saudi Arabia has become more urgent and the British Minister of State has again inquired about it. We should therefore welcome an indication from the Department as to the likelihood of an early decision.

KIRK

890F.51/53 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, July 29, 1943—6 p. m.

[Received July 30—1:12 a. m.]

75. Department's 37, July 28 [26], 3 [10] p. m. Over a year ago Sir Francis Rugman, finance official of the Sudan Government, came to Jidda to obtain first hand information about Saudi finances for use in determining extent and kind of British aid to local Government. Negotiations extended over period of several weeks with British Minister and Rugman representing Great Britain while Shaikh Yusuf Yassin, Shaikh Abdullah Suleiman and Najib Salha represented Saudi Arabia. Rugman submitted to London full report on Saudi finances embodying all available information but woefully deficient in statistical data. That report is still currently applicable except that Great Britain is no longer able to supply silver. Needs of local

⁸⁵ Not printed.

government for silver are even more urgent now than then. Since any American assistance it is assumed will be correlated with British aid the Department might consider the saving of time and other advantages which would result from discussions between a Treasury official attached to the Embassy in London and the British Treasury and Foreign Office before Mr. Gunter makes a trip to Arabia.

The two Saudi officials who can supply information about Saudi finances are Shaikh Abdullah Suleiman and Najib Salha. The former is Minister of Finance. Shaikh Abdullah is in India and is not expected to return to Arabia for two months. Najib is in Riyadh but intends to go to Cairo for undetermined period on or before August 20. Although any agreement will require the King's approval there is good reason to believe that he will know few details of interest to Gunter. He has not heretofore personally discussed details of financial assistance and he very likely will not do so now. Lebkicher, the Casoc official who has been most closely associated with Saudi currency problems intends to come to Jidda from Dhahran in September for a stay of some months.

If after securing all available data from British either by having Mr. Gunter go to London or through Treasury Department officials already there the Department still desires Mr. Gunter to seek further details he might profit from discussions with Rugman in Khartoum, Najib in Cairo, Shaikh Abdullah in India and Lebkicher in Jidda. For reasons indicated above it is doubtful that a visit by Mr. Gunter to the King before a definite plan has been drawn up would lead to any profitable result. A courtesy call would be necessary of course if Gunter were to pass through Riyadh en route between Jidda and Dhahran.

Having considered the foregoing should the Department still wish me to accompany Mr. Gunter on a visit to Riyadh it is urged that he bring with him a pair of Griffin and Howe Springfield sporting rifles with telescopic sights and some other easily transportable gift suitable for me to present to the King. Telephone and heavy equipment could follow. My first appearance before the King as Minister Resident empty handed would produce an unfavorable impression.

With regard to third paragraph of Department's message local government has asked for a fourth hundred thousand sovereigns from the British but request not yet approved. No other monetary arrangements are known to be in immediate prospect. It would be appreciated if the Department would be more explicit in what I am to prevent and how I am to prevent it.

The local authorities will be disappointed when they learn of the delay in reaching a decision with regard to silver which is implicit in Mr. Gunter's projected visit.

121.5767/1 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, July 29, 1943—9 p. m.

1027. Mr. John W. Gunter, a representative of the Treasury Department, has just departed from the United States by air for Cairo on an important confidential mission to investigate financial conditions in Iran, Saudi Arabia and Turkey for the Treasury. He will proceed from Cairo first to Tehran, next to Jidda and then to Ankara, where he will remain as Financial Attaché. Please assist him in arranging for his transportation by air onward from Cairo.

While in Saudi Arabia, Mr. Gunter will consult with King Ibn Saud to ascertain what arrangements can be made for this Government (1) to make silver available to alleviate the currency shortage and (2) to assist the Saudi Arabian Government in establishing a sound currency system. He has been instructed to consult with you and Hare en route regarding these matters and such background information and advice as you may give him will be appreciated. If you consider it advisable he may wish to discuss with Moffat the possibility of making greater quantities of consumers goods available to Saudi Arabia as a means of alleviating currency difficulties.

Please repeat to Jidda, advise Ankara appropriately and keep Jidda, Ankara and Tehran currently informed of details of Mr. Gunter's itinerary.

HULL

890F.24/52

*The Saudi Arabian Acting Minister for Foreign Affairs (Yassin) to President Roosevelt*⁸⁶

[Translation]

[JIDDA, July 31, 1943.]

MY DEAR MR. PRESIDENT: On behalf of Saudi Arabia, pursuant to Sections 4 and 7 of the Lend-Lease Act of March 11, 1941, I hereby represent that:

1. Every contract or agreement for the disposition of any defense article, or defense information, pursuant to Section 4 of the Act of March 11, 1941 to Saudi Arabia, will be deemed to include a clause that Saudi Arabia will not, without your consent or the consent of someone designated by you for that purpose under the Act, transfer title to, or possession of, such defense article or defense information by gift, sale or otherwise, or permit its use by anyone not an officer, employee, or agent of Saudi Arabia; and,

⁸⁶ Copy transmitted to the Department by the Minister Resident in Saudi Arabia in his despatch No. 12, August 5; received August 18.

2. If, as a result of the transfer by Saudi Arabia of any defense article or defense information, it is necessary, pursuant to Section 7 of the Act of March 11, 1941, fully to protect the rights of any citizen of the United States who has patent rights in and to any such defense article or information, Saudi Arabia will do so, when so requested by you or your designee for that purpose.

YUSUF YASSIN

800.24/1160 : Airgram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, August 3, 1943—9:15 a. m.

[Received August 7—2 p. m.]

A-766. Embassy's 4454, July 8, 5 p. m.⁸⁷ The following further communication has just been received from the Foreign Office:

"In Mr. Freeman Matthews' ⁸⁸ letter of the 21st June, it was stated that the United States Legation at Jedda had been instructed by the State Department to inform the Saudi Arabian authorities that it is the policy of the Government of the United States to receive enquiries regarding the availability of United States military supplies directly from the appropriate representatives of the Governments of the independent countries of the Near East, and to add that if it is feasible such supplies will be furnished them.

"2. In consequence of this communication, the Saudi Arabian Government have supplied the United States representative at Jedda with a copy of the list of the Saudi Arabian Government's requirements of military equipment, as already communicated to His Majesty's Government. The United States representative has been asked to inform his Government that, while the Saudi Arabian Government understand that the list will be considered by the Joint Anglo-American Munitions Board, they will be grateful if the United States Government can supply independently any items that might otherwise not be available.

"3. The list of the Saudi Arabian Government's requirements of military equipment includes the following items in order of priority:—

- "(1) s.a.a. workshop; machine tools for repairing rifles; (involving loan of technicians to train Saudi Arabian operatives).
- "(2) Rifles and rifle ammunition.
- "(3) Armoured cars suitable for both mountainous and sandy country.
- "(4) Light artillery.
- "(5) Anti-aircraft guns.
- "(6) Aircraft.

⁸⁷ *Ante*, p. 5.

⁸⁸ H. Freeman Matthews, Counselor of Embassy in the United Kingdom.

"4. It is clearly desirable, in the view of His Majesty's Government, that Ibn Saud should possess sufficient arms and military equipment to enable him to maintain order among his tribesmen throughout his territories. On the other hand, it is considered undesirable that he should be provided with more arms and military equipment than are strictly necessary for the maintenance of internal order. The United States Government will appreciate that for a great many years much effort has been devoted to suppressing or controlling the traffic in arms in and from the Arabian peninsula, and to preventing so far as possible undue quantities finding their way there. Now, in particular, the supply of an excessive quantity of arms might eventually have results unfavourable to general security in the Middle East. In the first place, it is impossible to foretell how these arms might be used in the period of political uncertainty in Arabia which is likely to follow in Ibn Saud's death. Secondly, the acquisition by Ibn Saud of large quantities of arms might very easily have the effect of alarming neighbouring countries. Thirdly, there is the probability that arms would be smuggled into Palestine in the event of Arab-Jewish disturbances.

"5. After taking these considerations into account and after full consideration by the British military authorities, our conclusions are that Ibn Saud should not be provided with more than :—

"(a) 50 light reconnaissance cars with immediate delivery :

"(b) 500 light machine guns ;

"(c) 10,000 rifles and ammunition later in 1943.

"6. It will be appreciated that the Saudi Arabian Government are not in a position to pay for any of this material.

"7. The responsibility for allocating military equipment to the United Nations and their Allies rests with the Munitions Assignments Boards in London and Washington both of which are Anglo-American bodies. As the United States Embassy are aware there has been an understanding between these Boards over the past 18 months as to the procedure for handling the requirements for military equipment of various countries and theatres. This understanding has been based upon the strategical responsibility for these countries or theatres as between the British Chiefs of Staff and the United States Chiefs of Staff. Negotiations are now in progress between the two Boards in order to reach a formal agreement on this matter.

"8. In the meantime His Majesty's Government will be glad to learn as soon as possible whether the United States Government agree with the views expressed above. These views are known to the British members of the London and Washington Boards and no doubt the State Department will wish to consider them in conjunction with the United States members of the Boards. His Majesty's Government would also be glad to know whether the United States Government agree that any United States military equipment allocated to Ibn Saud will be regarded as lease-lend material, while any British military equipment so allocated should be a gift from the British Government."

890F.51/53 : Telegram

*The Secretary of State to the Minister Resident in Saudi Arabia
(Moose)*

WASHINGTON, August 3, 1943—9 p. m.

41. Your 75, July 29, 6 p. m. In as much as the extension of American financial aid to Saudi Arabia will involve financial operations on the part of the Treasury Department, the Treasury desires to secure first-hand information from one of its own experts who is thoroughly familiar with Treasury procedure and governing domestic law. The Department has been gratified by the Treasury's interest in Saudi Arabian financial matters and, aware of the Treasury's responsibility for the wise and prudent administration of public funds consonant with the national interest, desires to cooperate fully in assisting the Treasury to discharge this responsibility.

The extension of financial assistance to Saudi Arabia necessarily will involve certain guarantees and assurances on the part of the Saudi Arabian Government which it is believed the Saudi Arabian Government will not find unduly onerous. These matters, however, appear to involve decisions which only King Ibn Saud himself can make. It is considered desirable, therefore, that Mr. Gunter, who is conversant with the type of guarantees and assurances which the Treasury regards as necessary, should discuss the matters personally with the King and that you accompany him on his visit to lend advice and assistance.

Matters relating to a suitable gift for the King are being made the subject of a separate telegram from the Department.

As you know, foreign economic interests in Saudi Arabia are overwhelmingly American in character. In view of that fact and having in mind proposals which have been made in the past for the establishment of a branch of Barclay's Bank in Jidda and of a Saudi Arabian currency board in London, the Department desires you to ensure that Saudi Arabia does not involve itself in long-term financial arrangements with other countries before Gunter's conversation with the King and the formulation of a suitable plan for the extension of financial aid by this Government.

Since Gunter has been instructed to submit his report by telegraph before departing from Saudi Arabia, it is not believed that his investigation will occasion undue delay in the formulation of such a plan.

HULL

890F.515/22: Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, August 4, 1943—10 p. m.

1088. Your 1335, July 28, 11 a. m. It is believed that the Department's 1027, July 29, 9 p. m. will serve as an answer to your inquiry.

Jidda has been instructed as follows with respect to Gunter's trip: "It is desired to avoid all publicity regarding this mission, both before, and after Mr. Gunter's arrival. He will be en route to other points in the Near East and his visit to Saudi Arabia may be explained as for the purpose of examining and reporting on the silver currency shortage, in respect of which this Government's aid in making silver available has been requested." You may wish, therefore, to advise the British Minister of State appropriately in accordance with the foregoing instruction.

HULL

890F.51/54: Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, August 6, 1943—11 p. m.
[Received August 7—6:15 p.m.]

82. Department's 41, August 3, 9 p. m. implies that decision with regard to assistance has already been reached conditional upon certain assurances and guarantees by the King and it states that Mr. Gunter will discuss these conditions which are not believed to be onerous with the King personally.

The British are still working on their plan for a Saudi note issue but there has been nothing to indicate that the Saudi Government will soon make commitments in this connection.

To have some reasonable expectation of success however in preventing undesirable developments which might threaten it is requested that I be authorized at any time in my discretion to divulge the sense of the first paragraph of this telegram, if correct, to the King.

The King ordinarily begins distribution of silver to the tribes about the middle of the month of Ramadhan, that is in about 6 weeks time and the already urgent need for silver will then become more acute. Najib Salha who has just returned from Riyadh tells me that the local government is entirely without silver. It is likely that this need in addition to currency problems previously mentioned will be solved by more British gold with which to buy silver locally at speculative prices. I shall be glad to lend advice and assistance to Mr. Gunter but such advice will be of doubtful value unless based on a full knowledge of the Department's plans.

When approaching local authorities about the forthcoming visit to the King it is assumed that the Department desires me to represent that I have been instructed to make an official visit to the King and that Mr. Gunter, a Treasury expert, will accompany me to take part in the conversations.

Cairo has not yet reported any suitable gift obtainable there.

Repeated to Cairo.

MOOSE

890F.515/27 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, August 17, 1943—4 p. m.

[Received 7:35 p. m.]

1474. Following telegram repeated to Jidda:

Department's 1027, July 29, 9 p. m. For Morgenthau⁸⁹ from Gunter.

"I have had conversations with Najib Bey Salha, director of Mines and Public Works of Saudi Arabia, Leblicher of Casoc, Lloyd, British Ministry of State, and various members of Legation staff. Najib handles practically all negotiations relating to finance, transportation, and supplies for Saudi Arabian Government, is probably best qualified Saudi Arabian to discuss currency matters. As result of these discussions I am impressed urgency supplying silver under lend-lease to Saudi Arabia for minting riyals before pilgrimage.

2. Najib states that approximately 15 million new riyals needed for rest of 1943. Since riyal has same weight and fineness as old rupee, approximately 5 million ounces of silver are needed. Minimum of 8 million riyals needed in connection with financing pilgrimage. These amounts seem reasonable.

3. Between forty and fifty thousand pilgrims from abroad are expected. Pilgrims begin to arrive in September and peak of arrivals is mid-November. All pilgrims must reach Mecca by about December 7.

4. Plans for financing pilgrimage are briefly as follows:

(a) Pilgrims will pay tariff due Saudi Arabian Government in country of origin. Proceeds will be converted into sterling and credited to account of government in London. British apparently assuming responsibility for furnishing means of converting this balance into riyals. Amount involved is estimated at 15 million riyals.

(b) Non-tariff expenditures expected to amount to about 20 million riyals; since these expenditures will be made internally, riyals must be supplied immediately against foreign currencies.

⁸⁹ Henry Morgenthau, Jr., Secretary of the Treasury.

Whether pilgrims will carry sovereigns, currency, or vouchers denominated in riyals and acquired in country of origin not determined. How Saudi Arabian Government is to acquire sufficient riyals to meet demand is principal problem.

5. Alternative to acquiring silver under Lend-Lease for minting riyals is for British to supply sovereigns which would be sold in market to acquire riyals. Sale of 300,000 sovereigns supplied so far this year as part of British subsidy has driven price of sovereigns from 55 to 40 riyals. British have promised additional 100,000 sovereign subsidy and probably will grant another 100,000 sovereign before end of year. It would be extremely difficult to market these sovereigns plus sovereigns supplied as means of acquiring riyals to finance pilgrims.

6. Without doubt riyals are in very short supply. Najib states 20,000,000 riyals minted to date and estimates 8,000,000 coins have left country. A British estimate in coins in circulation is 3,000,000 but it does not consider coins exported since April 1942. So far I have been unable to reconcile these two estimates but British figure probably more nearly correct. Population is about 5,000,000 or 6,000,000.

7. Reliable estimates of Government expenditures not available but internal expenditures expected to be about 45,000,000 riyals in 1944 (calendar year). Najib estimates external expenditure at 22,000,000 riyals for same period. Expenditures have shown unhealthy tendency to increase in recent years. If expenditures maintained at present level it is estimated that budget can be balanced when oil output reaches 200,000 barrels daily. Present production much below this level.

8. I discussed with Najib question of return of silver after war. He saw no objections at all to such provision in agreement and felt confident King would agree. He stressed, however, that Saudi Arabia would not be in position to return silver for some time after war. I assured him that any time limit that might be specified would be subject to renegotiation.

9. In view of urgency of supplying riyals, possibility of obtaining temporary loan of at least 2 million ounces of silver from India might be investigated. Dies are in India, and minting could be started quickly. This idea has been dismissed [*discussed?*] with Lloyd, who strongly favors it and has so cabled London. As alternative, silver might be obtained from Iran and first minting done by Iranian mint. I will investigate latter possibility in Tehran.

10. I expect to leave on first available plane for Tehran, and after returning to Cairo will go to Jidda to discuss lend-lease of silver with Moose. If it is decided to lend-lease silver to Saudi Arabia,

it could be accomplished in usual manner except that we should specify wording of request. Lend-lease requests usually made by Saudi Arabian Government to Moose who transmits them to Washington.

11. I am inclined to believe that trip to see King inadvisable at this time. As far as lend-leasing silver is concerned such trip unnecessary since Agib [*Najib?*] is person who would have to be consulted in any event. I believe it is too early to discuss other currency matters with King. Kirk is in agreement with this viewpoint. Najib informs me that King is committed in principle to use of paper currency and establishment of currency board of similar institution but that no commitments have been made nor any definite steps taken. British here inclined to view that present circumstances unfavorable for successful establishment of currency board. I believe my trip to Jidda should be confined to completing arrangements for lend-leasing silver and to gather additional information of assistance in laying groundwork for later mission on financial reform. Please let me have your instructions in this matter and with respect to lend-leasing silver."

KIRK

890F.51/54 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, August 17, 1943—midnight.

1172. Please repeat the following to Jidda as Department's no. 52 and inform Gunter of the contents thereof, advising Jidda whether you have done so:

Your 82, August 6, 11 p. m. This is an amplification of Department's 37, July 26, 10 p. m.

While Treasury is favorably disposed towards a loan of silver, final decision cannot be reached until:

(1) A formal request is received from the Saudi Arabian Government, specifying the amount of silver required and the reasons for the need.

(2) Treasury's representative, Gunter, submits his report confirming the need and specifying the amount required in his judgment.

(3) The King guarantees to return silver ounce for ounce; Treasury contemplates that the period over which the silver would be repaid would be 5 years from the end of the war.

In order that these requirements may be satisfied in the most expeditious manner, the following procedure is suggested. It is based upon the assumption that Najib will be in Cairo upon Gunter's arrival there, and that he may be empowered to sign the formal request on behalf of the Saudi Government.

Text of the standard lend-lease contract covering the loan of silver will be sent to Gunter in Cairo. Only the amount of the loan will be left unspecified. Gunter will discuss the contract with Najib. Gunter will ask Najib whether he can sign the formal request for the loan, and if the answer is in the affirmative, Gunter will draft the request for Najib's signature, and forward the signed request to Treasury. Gunter will then proceed to Jidda, prepare his report, and forward it to Treasury. On basis of Gunter's report, the amount of the loan will be determined, and Treasury will instruct Gunter to fill in the agreed amount in the text of the contract. You and Gunter will then proceed to Riyadh to present the contract for the King's signature. Najib should have had time to advise the King in the interim.

If this procedure is workable, the visit to the King need not take place until Gunter is in position to offer a completed contract for the King's signature. The chief matter for the King's consideration will be the giving of his guarantee for the return of the silver in kind.

Your opinion as to the practicability of the suggested procedure is urgently requested. In the meantime, postpone arrangements for an official visit to the King. Do not divulge the specific purposes of Gunter's visit, beyond saying that he is a Treasury representative interested in obtaining information concerning the shortage of silver in Saudi Arabia, unless, in your judgment, it becomes necessary to be more explicit in order to carry out your instructions with respect to preventing possible unfavorable developments.

HULL

884.515/34b

The Assistant Secretary of State (Berle) to the Lend-Lease Administrator (Stettinius)

WASHINGTON, August 25, 1943.

MY DEAR MR. STETTINIUS: With reference to recent conversations concerning the Lend-Leasing of silver to the Government of Saudi Arabia for coinage purposes, the Department of State attaches importance from the point of view of international policy to effective cooperation in solving the economic and financial difficulties of Saudi Arabia and urges that silver in an amount sufficient to meet the currency needs of that country be made available via Lend-Lease channels.

Sincerely yours,

ADOLF A. BERLE, JR.

890F.515/29 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, August 25, 1943—8 p. m.

[Received August 26—7:55 a. m.]

99. Department's 52, August 17, midnight.⁹⁰ I see no way in which suggested procedure could be improved upon. It is requested that this Legation be supplied with copies of any requests, reports or recommendations relative to silver for Saudi Arabia not submitted from here.

MOOSE

890F.515/27 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, August 26, 1943—7 p. m.

1227. Your 1474 August 17, 4 p. m. From Treasury for Gunter.

1) Treasury is now prepared to lend-lease about 5 million ounces of silver to Saudi Arabia which is what is needed to meet the coinage needs for the rest of 1943.

2) It is hoped that we can arrange to have minted in India at least the 8 million riyals necessary for the pilgrimage.

3) The lend-lease contract will be sent you in Cairo.

4) A formal request for the lend-lease of the silver should be prepared by you and may be presented for the King to sign in Saudi Arabia and the lend-lease contract may also be presented for his signature immediately after the signature of the request. Procedure previously suggested to be replaced by this procedure.

5) Saudi Arabia must bear the cost of minting the riyals and the King should be so informed.

6) Repeat to Jidda as No. 57. [Treasury.]

HULL

890F.515/31 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, August 31, 1943—6 p. m.

[Received September 1—5:32 p. m.]

1564. Department's 1227, August 26, 7 p. m. For Morgenthau from Gunter. The following telegram has been sent to Jidda.

"1. Have delayed trip to Jidda until contract for lend-leasing silver to Saudi Arabia reaches Cairo. Will then go to Jidda by first

⁹⁰ See telegram No. 1172 to the Minister in Egypt, p. 891.

available plane. Meanwhile am requesting Moose to make arrangements for our visit with the King. Please notify me when contract is mailed. Would it be possible to cable contract?

2. Formal request discussed with Lend-Lease people here. Regular form used for Saudi Arabian lend-lease requests can be adapted.

3. Please keep me informed of progress in making arrangements for minting of riyals in India."

KIRK

890F.515/30 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, September 1, 1943—10 a. m.

[Received September 2—10:20 a. m.]

1572. Department's 1227, August 26, 7 p. m. For Morgenthau from Gunter.

"1. Strong possibility that King will desire to have Minister of Finance sign contract for lend-leasing silver to Saudi Arabia rather than sign it himself. King has never signed agreements of this type but delegated such authority to Finance Minister. In case King should wish to follow this procedure I would like authority to agree. If contract is signed by Minister of Finance, King, if required, might issue decree confirming authority of Minister and acknowledging validity of contract.

2. In any event it seems desirable to have formal request signed by Finance Minister in accordance with lend lease procedure now in effect. Will this be acceptable to Treasury?

3. This cable being repeated to Jidda with request that Moose cable State his agreement or disagree with above suggestions."

KIRK

890F.515/33 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, September 4, 1943—noon.

[Received September 5—7:31 a. m.]

112. Cairo's 1572, September 1, 10 a. m., and my 75, July 29, 6 p. m. Saudi Minister of Finance is still in India and is not expected back in Arabia for another month. Reliable information about signatures and confirmation by decree can be had only by consulting local officials but it seems likely that the King will sign on behalf of Saudi Arabia only where the President signs on behalf of the U.S. Please advise what signatures will be necessary on behalf of U.S. Government and who is to be authorized to sign.

Signature of Amir Faisal the Foreign Minister can be had if documents arrive before he departs for the U.S.⁹¹ Another possibility would be for Amir Faisal to sign papers in Washington. In that case he should be advised now to secure authorization from King.

Alternatively signature of Acting Foreign Minister can be had or signature of Acting Finance Minister.^{91a} In latter event Acting Foreign Minister might try to interfere. He has already upset an arrangement made by Finance Minister and Mr. Kirk for direct communication between Legation and Finance Minister in matters relating to lend-lease.

Probably the King would confirm contract signed by any Minister though I would recommend that decree not be required if it can be avoided.

Acting Foreign Minister is at present in Jidda and Acting Finance Minister in Mecca. If Ministerial signatures to request and contract are acceptable it appears that documents might be completed here.

Repeated to Cairo.

MOOSE

890F.515/33 : Telegram

The Secretary of State to the Minister Resident in Saudi Arabia
(Moose)

WASHINGTON, September 7, 1943—3 p. m.

62. Your 112, September 4, noon. Your telegram implies that you do not believe the King will sign the silver Lend-Lease agreement personally, and that you wish to avoid asking the King to confirm the signature of one of his Ministers by decree, but that you believe the King would agree to give some other kind of confirmation. It is not quite clear to us what is meant by confirmation other than by decree, as suggested in your penultimate paragraph. The objective which is important to State, Treasury and Lend-Lease officials is that the agreement to return the silver be binding upon the Government of Saudi Arabia. We must depend upon your judgment as to how this objective can be achieved, in the light of factors best known to you.

Please telegraph immediately your recommendation as to the method by which a binding agreement can be executed most expeditiously on or shortly after September 13, by which date the agreement will have been telegraphed to Gunter at Cairo. You are authorized to explain the purpose of Gunter's visit in so far as it concerns silver to local officials if necessary to obtain information upon which to

⁹¹ For correspondence relating to this visit, see pp. 840 ff.

^{91a} Hamid Suleiman.

base your recommendation. In making your recommendation, you will of course, give as much weight to the sensibilities of the King and the prerogatives of his Ministers as is compatible with the primary objective, which we repeat, is to obtain an agreement which will protect the interest of the United States Government in the return of the silver.

No signatures are required on behalf of the United States Government. It is a unilateral agreement on the part of the Saudi Arabian Government to return whatever silver is received, ounce for ounce, within a given period of time.

HULL

890F.515/38 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, September 9, 1943—7 p. m.

[Received September 10—7:50 a. m.]

117. Department's 62, September 7, 3 p. m. My suggestion that decree not be insisted upon referred to the last sentence of Cairo's 1572, September 1, 10 a. m., and was intended to suggest other method of confirmation though I have now inquired about that possibility. Suggestion was based on belief that King might not wish to issue and publish decree relation [*relating*] to lease-lend silver when, as British Chargé d'Affaires has informed me, British Government accepts Saudi Ministerial signatures without confirmation as sufficient on all documents relating to British advances of gold, silver, sterling credits and supplies.

In view of personal nature of King Ibn Saud's rule and firmly established principle that no important action can be taken by any of his Ministers without prior Royal approval King's assent is in fact requisite to any contract signed by a Minister. Acting Foreign Minister, Shaikh Yusuf Yassin, advises that limitation on Ministers' acts is imposed by law. Since Department wishes to make the contract as binding as possible however it would appear that King's specific agreement should be obtained. Form of such agreement would seem to be immaterial so long as it is clear and unequivocal.

Problem of proper signature was today discussed with Shaikh Yusuf who also thought King would not wish to sign contract personally. Two alternatives were discussed (1) that after signing by Minister the King should confirm contract by published decree or (2) that King, after being apprised of terms of contract, should in writing authorize a Minister to sign describing contract in sufficient detail to identify it and that such authorization should be annexed to con-

tract when forwarded to Washington. Latter course would not necessarily involve publication of contract.

Shaikh Yusuf is referring question to the King and will report what course or courses are acceptable to Ibn Saud. Shaikh Yusuf holds personal opinion that need for silver is urgent enough that problems of procedure will be easily solved.

Shaikh Yusuf is proceeding to Riyadh in a day or two to attend presentation of credentials by new British Minister. Any discussions in Jidda with respect to silver may therefore be carried out with Acting Finance Minister or with Ibrahim Suleiman, chief of Amir Faisal's diwan. In my opinion this is a favorable development. British Minister Designate hopes to leave Jidda tomorrow and to be in Riyadh September 15 to 22. All dates are tentative.

Moose

890F.515/44a : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, September 10, 1943—11 p. m.

1323. From Treasury for Gunter. Please repeat to Jidda. For your information:

1. We are trying to arrange that the United Kingdom shall pay both the minting costs and the transportation costs for the initial 8 million riyals in return for a reciprocal lend-lease credit from the United States. This Government will extend to Saudi Arabia as additional lend-lease aid by this Government the minting and transportation costs for any riyals coined here.

2. The riyals minted in India and in London are to be delivered to Moose and presented by him to the appropriate officials of Saudi Arabia. The State Department will determine the appropriate officials to sign the receipts on behalf of Saudi Arabia upon delivery of the riyals. [Treasury.]

HULL

890F.515/46b : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, September 11, 1943—4 p. m.

1326. For Gunter from Treasury. Please repeat to Jidda.

1. We are arranging to have 8 million riyals minted immediately, 4 million by the Indian Mint and 4 million by the Royal Mint in London. We will inform you as to the minting of the remainder of the 15 million riyals.

2. You should make clear to the King that the riyals are being minted from the stock of silver of the United States Treasury and

are being made available to Saudi Arabia by the Government of the United States through the Lend-Lease Administration.

3. The determination of the appropriate official who will sign both the request and the agreement for the silver is being worked out between Moose and officials of the State Department here. You will be informed of the final decision by cable either directly or through Moose. You should present for the King's signature, or, as amended, for the signature of the representative so determined, the text of the request that will be cabled separately to you.

4. You should prepare a letter for presentation to the King, through proper channels as determined by Moose, stating that you, as a representative of the United States Treasury, have surveyed the needs of Saudi Arabia for silver coin and on the basis of your study have recommended to the Treasury that the silver required for 15 million riyals be provided to Saudi Arabia from the stocks of the Treasury under lend-lease arrangements, the silver to be returned on an ounce for ounce basis after the war.

5. You should present likewise for the King's signature, or that of his representative, the text of the lend-lease agreement, cabled separately to you. [Treasury.]

HULL

890F.515/44b : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, September 11, 1943—5 p. m.

1327. For Gunter from Treasury. Please repeat to Jidda. The following is the text of the agreement for the lend-leasing of silver to Saudi Arabia. If the King signs the agreement, use the words contained within the brackets; if his minister signs, use the words contained within the parentheses.

"Honorable E. R. Stettinius, Jr.,
Lend-Lease Administrator,
Washington, D.C.

Sir: [I, Ibn Saud, King of Saudi Arabia,] (The King of Saudi Arabia, through ----- his -----)

name title
hereby request(s) the Office of Lend-Lease Administration to supply, as soon as possible, five million one hundred sixty-seven thousand ounces of silver under the Act of March 11, 1941, from the stocks of the United States Treasury silver.

"I hereby agree (on behalf of the King of Saudi Arabia) that Saudi Arabia shall return to the United States Treasury, within five years after the end of the existing national emergency in the United States, as determined by the President of the United States, an amount of silver bullion equivalent to the total number of ounces of silver transferred to Saudi Arabia under the Act of March 11,

1941, from the stocks of the United States Treasury silver, provided, however, that if the conditions of the world supply of silver make it advisable such period may be extended by agreement of both governments for an additional two years.

King of Saudi Arabia or
title of representative”

Legation can of course supply appropriate honorifics and phrases of courtesy corresponding to usage. [Treasury.]

HULL

890F.515/46a : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, September 11, 1943—6 p. m.

1328. For Gunter from Treasury. Repeat to Jidda. The following is the text of the request for the lend-lease of silver to Saudi Arabia. If the King signs the request, omit the words contained within the parentheses. If the King's minister signs, include the words within the parentheses.

“My dear Mr. Secretary: Reference is made to previous communications between representatives of our respective governments relative to the vital need of Saudi Arabia for a supply of silver for coinage purposes.

“Accordingly, I request (on behalf of the King of Saudi Arabia) that you will be so kind as to inform the Office of Lend-Lease Administration that the need of Saudi Arabia for silver for coinage purposes during the balance of the calendar year 1943 may be met, to the extent of five million one hundred sixty-seven thousand ounces of silver, from the stocks of silver of the United States Treasury. I also request, subject to the mutual convenience of the United States and Saudi Arabia, that this silver be made available to Saudi Arabia as soon as possible.

“I am prepared (on behalf of the King of Saudi Arabia) to transmit to the Office of Lend-Lease Administration requests of Saudi Arabia for the above-mentioned silver and the agreement of Saudi Arabia to return to the United States Treasury, within five years after the end of the existing national emergency in the United States, as determined by the President of the United States, an amount of silver bullion equivalent to the total number of ounces of silver transferred to Saudi Arabia under the Act of March 11, 1941, from the stocks of the United States Treasury silver, provided, however, that if conditions of the world supply of silver make it advisable such period may be extended by agreement of both governments for an additional two years.

“It will be appreciated if you will kindly advise the Office of Lend-Lease Administration of your approval of the foregoing request.

King of Saudi Arabia or
title of representative.”

[Treasury]

HULL

890F.515/41 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, September 12, 1943—10 a. m.

[Received 9:20 p. m.]

119. My 117, September 9, 7 p. m. After consulting the King, Shaikh Yusuf thinks that contract may be confirmed by decree but it has not been possible to secure assurance on this point. Safest practicable procedure from United States Government point of view is signature by Minister and subsequent confirmation by Royal Decree. I recommend that procedure be followed if possible but that if necessary the Department accept, attached to the contract, the King's signed authorization to Minister to sign contract.

Repeated to Cairo.

MOOSE

890F.515/40 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, September 13, 1943—noon.

[Received 4:05 p. m.]

122. My 117, September 9, 7 p. m. British Minister finally left Jidda for Riyadh this morning taking with him a draft law prepared some time ago for the emission of paper currency in Saudi Arabia and he intends to discuss matter with King. The plan does not contemplate the establishment of a bank. British Minister can hardly arrive at Riyadh before evening September 15 and probably any discussions on subject would take place a day or two after his arrival.

In view of the penultimate paragraph of the Department's 41, August 3, 9 p. m., Department may wish me to suggest to the King through Hamid Suleiman, Acting Minister of Finance and brother of Abdullah Suleiman, or other available high official, that no definite commitment be made with regard to paper currency before completion of the formalities connected with lease-lending of silver to Saudi Arabia.

Repeated to Cairo.

MOOSE

890F.515/41 : Telegram

The Secretary of State to the Minister Resident in Saudi Arabia
(Moose)

WASHINGTON, September 15, 1943—11 p. m.

69. Your 117, September 9, 7 p. m. and 119, September 12, 10 a. m. Department approves procedure recommended in last sentence of your 119. King's signed authorization to Minister to sign contract will be satisfactory if confirmation by Royal Decree proves difficult to obtain.

Visit to King should still be made to discuss longer-term financial matters, after British Minister leaves Riyadh.

HULL

890F.515/40 : Telegram

The Secretary of State to the Minister Resident in Saudi Arabia
(Moose)

WASHINGTON, September 17, 1943—7 p. m.

70. Your 122, September 13, noon. Officers of the Department and of the Treasury have discussed Saudi Arabian financial matters with British Embassy and British Treasury officials in Washington, expressing the interest of this Government in these matters and indicating the desirability of initiating discussions of a technical nature to determine in what way it may be possible for the United States and British Governments to participate jointly, and in substantially equal measure, in the formulation and implementation of plans for the institution of a sound long-range currency system in Saudi Arabia. These British officials stated that they would take the matter up with London immediately.

In view of this development it is not considered advisable for you to suggest to Saudi Arabian officials that they refrain from entering into any commitments before the completion of formalities regarding the lend-leasing of silver. To do so might convey the impression that the United States and British Governments are working at cross purposes; whereas, in fact, it is expected that the two Governments will work together and cooperate fully in regard to these matters. You should, however, inform the British Legation in Jidda of the nature of the conversations which have taken place in Washington.

HULL

890F.515/46c: Telegram

*The Secretary of State to the Minister Resident in Saudi Arabia
(Moose)*

WASHINGTON, September 17, 1943—11 p. m.

71. For Gunter and Moose from Treasury.

1. Inform the King or his ministers that we are hastening the minting of eight million riyals in order that they may be used to provide the incoming pilgrims with local means of payment, the riyals to be exchanged for gold coin, foreign currency, and other funds the pilgrims may bring with them to pay for their expenses.

2. Suggest to the King or his ministers that to achieve the purposes for which the silver is being lend-leased, it would be desirable for him to require the delivery of the riyals to his bankers with the instructions that the riyals are to be used for the above purpose. [Treasury.]

HULL

890F.515/48

*Memorandum of Conversation, by Mr. Paul F. McGuire of the Office
of the Adviser on International Economic Affairs (Feis)*

[WASHINGTON,] September 17, 1943.

Participants: Mr. D. H. Robertson—Representing the British Treasury.

Mr. W. G. Hayter—First Secretary, British Embassy.
Messrs. Bernstein, Mikesell, Friedman and Glendinning, United States Treasury.

Messrs. Livesey, Parker and McGuire, Department of State.

Mr. Moose, the American Minister Resident at Jidda, had informed the Department that Mr. Jordan, newly appointed British Minister Resident at Jidda, was paying a visit to King Ibn Saud to present his credentials and was taking with him a draft law presumably embodying previous British proposals for establishment of a paper currency system in Saudi Arabia under the supervision of a currency board with headquarters in London. The British Minister would be in Riyadh approximately one week before Moose and Gunter, American Treasury representative, were to visit the King to discuss financial matters. To avoid any appearance of conflict between British and American aims, it was decided that a meeting should be held with British officials in Washington, at which we would make clear, in a tactful manner, that we desired, and expected, to work jointly with the British on any plan for establishing a permanent currency system for Saudi Arabia.

At the meeting, Mr. Parker made a simple statement of our desire to work out a mutually satisfactory plan, and the British representatives said that they fully understood, and that they would inform the British Treasury.

Mr. Robertson said that while he was not well enough informed to speak with authority until he heard from London, he had understood that action on paper currency was not urgent in view of the provision of Saudi Arabia's silver needs for the balance of this year under Lend-Lease, and he thought that the British Minister's discussions with the King would be of an exploratory nature only.

Mr. Bernstein said that he would be glad to arrange further conversations as soon as the British were ready to discuss the details of the plan, and that we would be giving consideration to the matter in the meantime.

890F.24/58a : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, September 20, 1943—4 p. m.

1384. Following for your information and to be repeated to Jidda as Department's no. 74.

The War Department is giving consideration to the Saudi Arabian Government's request for Lend-Lease military equipment but considers that the information furnished by the Saudi Arabian authorities is insufficient to enable action to be taken thereon without securing further details. The War Department is instructing the American theatre commander to take such action as he deems proper to secure further detailed information and it is believed that he may send one or two army officers on a visit to Jidda for such purpose. It is understood further that the military authorities will keep you advised of developments through the Legation at Cairo.

HULL

890F.515/50 : Telegram

The Third Secretary of Legation in Saudi Arabia (Shullaw) to the Secretary of State

JIDDA, October 5, 1943—4 p. m.

[Received October 6—3:52 a. m.]

153. Department's 69, September 15, 11 p. m., and Legation's 146, September 26, 4 p. m.⁹² Request and agreement for lend-leasing of silver to Saudi Arabia, signed by Bashir al Sadawi⁹³ on October 3

⁹² Latter not printed.

⁹³ Adviser to King Ibn Saud.

and documents together with full power issued by King Ibn Saud authorizing signature delivered to Moose.

Information as to date when rials will reach Jidda and how packed. Requested also form of receipt referred to in Legation's 146 cited above.

SHULLAW

890F.24/62 : Telegram

The Third Secretary of Legation in Saudi Arabia (Shullaw) to the Secretary of State

JIDDA, October 7, 1943—noon.

[Received 11:59 p. m.]

155. Department's 74, September 20.⁹⁴ King Ibn Saud states that he will be glad to receive the American Military Mission which US Army Headquarters Middle East plans to send to Riyadh to survey Saudi Arabia needs for lend-lease military equipment. The King further requests that Moose accompany the Mission.

General Royce, Commanding Officer US Forces Middle East, plans to fly to Riyadh with the Mission and after a few days' visit return to Cairo. The King has already given general permission for the plane to land near Riyadh and specific permission will be forthcoming, when time of arrival determined. Oil company⁹⁵ willing to prepare landing field.

King will leave Riyadh for the Hedjaz near the end of the present month and will not return to his capital for several months. Mission should therefore arrive during latter half of October.

Moose is now in Dhahran and expects to arrive in Jidda October 15. If Department approves his compliance with royal request that he accompany Mission he suggests best procedure would be for him to fly to Cairo on October 18 and join General Royce's party for the flight to Riyadh.

Additional allotment of \$700 for gratuities requested for this trip. Repeated to Cairo.

SHULLAW

890F.515/51b : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, October 14, 1943—1 p. m.

1531. For Gunter and Moose from Treasury. Repeat to Jidda.

"1. We have been informed that the minting of 4 million riyals has been completed by the Indian Mint. We are arranging to have

⁹⁴ Sent as telegram No. 1384, same date, to the Minister in Egypt, p. 903.

⁹⁵ California Arabian Standard Oil Company (Casoc).

these coins shipped immediately to the American Minister at Jidda. It is expected that the remainder of the 15 million riyals will follow shortly.

2. Date of arrival of coins from India and information as to how they are packed will be cabled when obtained.

3. Provision should be made by the Legation for the safe-keeping of the riyals prior to their delivery to the appropriate Saudi Arabian official.

4. The text of the receipt that must be signed by the Saudi Arabian official to whom the coins are delivered is being cabled separately.⁹⁸

5. The data called for in the receipt, namely, number of coins, type of coins, denomination of coins, and total silver consumed in minting (troy weight), will be cabled to you when obtained from the Indian Mint, or will be sent by the Indian Mint, upon instructions from the Treasury, with each consignment of coins shipped to Jidda."

HULL

890F.515/51a : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, October 14, 1943—2 p. m.

1532. For Gunter and Moose from Treasury. Repeat to Jidda.

"Text of receipt:

To

United States of America

Receipt and acceptance is herewith acknowledged of the articles described below procured by the Procurement Division of the U.S. Treasury Department and delivered, pursuant to the Act of March 11, 1941, to _____ a duly authorized representative of the Kingdom of Saudi Arabia at _____ on _____.

(Place)

(Date)

Number

of Coins

Type of Coin

Denomination

Total Silver Consumed
in Minting
(Troy weight)

(Name)

(Title)

(Statement to be executed by a representative of the State Department)

I hereby certify that I have identified the individual who executed the foregoing receipt as the representative of the Kingdom of Saudi

⁹⁸ *Infra.*

Arabia duly authorized to receipt for and accept the articles listed in such receipt.

(Name)

(Title)

HULL

890F.24/62 : Telegram

*The Secretary of State to the Minister Resident in Saudi Arabia
(Moose)*

WASHINGTON, October 14, 1943—10 p. m.

88. War Department informed by message from Cairo dated October 12, with reference to your 155, October 7, noon, to the effect that General Royce has no plans for sending mission to Saudi Arabia but has merely made statement that if Saudi Government wants Army help in preparing Lend-Lease programs an invitation would receive favorable consideration.

HULL

890F.24/63 : Telegram

*The Minister Resident in Saudi Arabia (Moose) to the Secretary
of State*

JIDDA, October 16, 1943—7 p. m.
[Received October 18—4:21 a. m.]

161. Department's 88, October 14, 10 p. m. When Colonel Alton Howard was in Jidda September 26 to discuss Lend-Lease arms for Saudi Arabia he advised that General Royce was ready to send a military mission to Arabia if so requested by the King and that General Royce planned to go as far as Riyadh with any such mission. Matter was mentioned to King at Colonel Howard's specific request and King has now asked for army mission to make survey and recommendations as to military needs of Arabia.

In addition to accurate determination of Saudi arms needs sending military mission and supplying equipment will be useful for American standing particularly in focusing attention on American aid to Saudi Arabia hitherto largely obscured by the greater extent of British help.

It would appear from Department's 88 that mission is not ready to come to Arabia immediately and permission is requested to delay

trip to Cairo authorized in Department's 86, October 12, 9 p. m.⁹⁷ so as to avoid excessive period of waiting there.

Repeated to Cairo.

MOOSE

890F.24/67a : Airgram

The Acting Secretary of State to the Minister Resident in Saudi Arabia (Moose)

WASHINGTON, October 23, 1943—9 : 55 a. m.

A-17. In a telegram dated October 6, 1943 to Casoc from Lebkicher,⁹⁸ the statement is made that the British are still getting most of the credit for equipment being supplied to Saudi Arabia under Lend-Lease, and that Najib does not understand why all his discussions on such matters have to be with the British representative, but that Lebkicher personally believes this will be corrected since American representation is being increased and strengthened.

The Legation's comments would be appreciated.

STETTINIUS

800.24/1160 : Telegram

The Acting Secretary of State to the Ambassador in the United Kingdom (Winant)

WASHINGTON, October 23, 1943—1 p. m.

6619. The Department is informed by the War Department, with reference to the Embassy's airgram A-766, August 3, 9 : 15 a. m., that the British plan to provide Ibn Saud with 50 armored cars, 500 machine guns, 10,000 rifles, and ammunition.

Please inform Major General Crain, Senior American Representative on the Munitions Assignments Board, through the Military Attaché, that General Royce, American Theater Commander in Cairo, has expressed a willingness to lead or send a military mission to Saudi Arabia, if the King so requests, to determine the King's needs and the part we should play through Lend-Lease in providing for them. The King has now requested such a mission through our Minister at Jidda. Therefore, in view of American interests in Saudi Arabia which will shortly become linked with our war effort in an important way, we wish to suggest that approval of the British plan by the American representative on the Munitions Assignments Board could

⁹⁷ Not printed ; in this telegram the Department had directed Minister Moose to proceed to Cairo about October 18, and to "accompany the American Military Mission which will travel through Saudi Arabia." (123 Moose, James S./457)

⁹⁸ Casoc official closely concerned with Saudi Arabian currency problems.

appropriately be withheld until General Royce's mission makes its recommendations.

Sent to London, repeated to Cairo.⁹⁹

STETTINIUS

890F.515/52 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, October 25, 1943—5 p. m.
[Received October 25—4: 51 p. m.]

164. Minister's authorization to sign reported in Legation's 153, October 5, 4 p. m., is in form of decree to which King's signet has been affixed in accordance with usual procedure. It is assumed that this complies with wishes of Department.

MOOSE

890F.24/63 : Telegram

The Acting Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, October 27, 1943—11 p. m.

1616. Although unable to delay all action by the Munitions Assignments Board in London, the War Department states that the Board there has agreed that the British are to furnish 2500 rifles and 125 Bren guns to Saudi Arabia. There remain therefore a number of items that may be furnished by this Government.

The foregoing is transmitted with reference to Department's 1581, October 23, 1 p. m.¹

Please repeat to Jidda with reference to Department's 92, October 23, 1 p. m. to Jidda.¹

STETTINIUS

⁹⁹ The telegram was repeated to Cairo as Department's No. 1581, with the following added:

"The foregoing has been sent to London as the Department's 6619, October 23, 1943. Please bring it to the attention of General Royce, pointing out that what the British plan to furnish Ibn Saud would appear to represent about 100 percent of what the British have estimated the King's needs to be, except for aircraft, anti-aircraft guns, and light artillery, which presumably are not available for Arabia at this time. You should emphasize that in view of the importance of our war-connected interests in Saudi Arabia, we believe that our contribution to the King's needs for military equipment should at least equal the British. This refers to Jidda's 155, October 7, noon and 161, October 16, 7 p. m.

"Sent to Cairo, repeated to Jidda."

The London-Cairo telegram was repeated to Jidda as Department's No. 92, October 23, with the following added:

"You are authorized to postpone your visit to Cairo for the purpose of accompanying General Royce's mission to a time you deem appropriate, if you consider it necessary, in view of the King's presence in the Hejaz, to accompany Royce from Cairo."

¹ See footnote 99, above.

890F.24/10-2743

Memorandum by Lieutenant Colonel Roger W. Jones² to Mr. W. Leonard Parker, of the Division of Near Eastern Affairs

WASHINGTON, 27 October, 1943.

The following message has been received from General Crain, U.S. Executive of the London Munitions Assignments Board. The message was shown to the U.S. Embassy before transmission. Identifying numbers are: London 5972, and War Department CM-IN-15203, 25 October 1943.

Paraphrase.

On 3 August 1943, the State Department was informed by the Foreign Office of views respecting munitions for Saudi Arabia. There have been furnished to Ibn Saud by U.K. 50 reconnaissance cars from obsolete Middle East stocks; 100 M 1919 A4 machine guns, (Canadian made) and modified for 303 cartridges; 2,500 303 rifles and 125 Bern machine guns. As requested in your instructions 9 October, I have requested that the transfer be suspended pending receipt of instructions. The British propose following solution: U.S.A. to furnish Arabians with one-half of the machine guns and 5,000 303 rifles from U.S. or U.S. controlled production. In effect, this will divide equipment equally between the two countries except as to reconnaissance cars and 1919 A4 machine guns. If U.S. accepts, U.K. can turn over to the Commanding General in Cairo 5,000 303 rifles for delivery to Ibn Saud on U.S. account. The British desire to keep at a minimum equipment placed in Saudi Arabia.

ROGER W. JONES

890F.515/50: Telegram

The Acting Secretary of State to the Minister Resident in Saudi Arabia (Moose)

WASHINGTON, October 29, 1943—6 p. m.

95. Procedure mentioned in your 164, October 25, 5 p. m. is considered satisfactory by the Department.

STETTINIUS

890F.515/55: Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, November 8, 1943—8 a. m.

[Received 10:23 a. m.]

174. British Minister here has suggested that the entire 8 million rials mentioned in Department's 71, September 18 [17], 11 p. m., be delivered to Gellatly-Hankey and Co., a British firm for sale to pil-

² Of the Munitions Assignments Board.

grims. Local officials object. The second paragraph of Department's wire appears to support British suggestion because firm named sometimes acts as Government bankers.

I request authorization to inform local officials that the United States Government did not intend to object to sale being effected by Finance Ministry itself or by such other agent as local Government may choose.³

MOOSE

800.24/1160 : Telegram

The Acting Secretary of State to the Minister Resident in Saudi Arabia (Moose)

WASHINGTON, November 8, 1943—7 p. m.

97. With reference to the British plan to supply Saudi Arabia with the military equipment described in Department's 92, October 23,⁴ please inform us whether Ibn Saud or other Saudi Arabian officials approached the British in regard to such supplies and, if so, the circumstances under which the approach was made. Please state also whether any of this equipment has been delivered by the British.^{4a}

STETTINIUS

890F.24/67 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, November 8, 1943—10 p. m.

[Received 11 p. m.]

175. Following telegram has been sent to the Legation at Cairo. 152, November 8, 9 p. m. Following for General Royce. In reply to your telegram 154, November 6, 4 p. m.: "The King has indicated that he will be pleased to receive you and Military Mission in Jidda December 12."

Repeated to Department.

MOOSE

³ Such authorization was given in telegram No. 99, November 11, 4 p. m. (890F.515/53).

⁴ See footnote 99, p. 908.

^{4a} For a British report regarding the approach by Mr. Moose to the Saudi Arabian Government pursuant to this instruction, and comment by Mr. Moose thereon, see *Foreign Relations*, The Conferences at Cairo and Tehran, 1943, pp. 378 and 447; for the Minister Resident's reply to the Department on November 19, see telegram No. 189, p. 912.

890F.24/63 : Telegram

The Acting Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, November 9, 1943—10 p. m.

1703. The following is a paraphrase of a telegram from London which is repeated for your information with reference to Department's 1616, October 27, 11 a. m.

"General Crain sent a telegram to General Burns⁵ of the War Department in Washington on the 25th of October in which he referred to the Department's telegram 6619⁶ and in which he reported that up to the date of that telegram Britain had provided King Ibn Saud with 2500 rifles, 225 machine guns and 50 obsolete reconnaissance cars. It was stated further by General Crain that according to instructions issued to him on the 9th of October he had asked the British Government to hold up the furnishing of any more equipment until he received further instructions. General Crain then proceeded to outline for the consideration of the War Department a suggestion made by the British to the effect that additional equipment which may be furnished would be supplied by the United States and by Britain on about an equal basis."

The Department has indicated to the War Department its concurrence in the suggestion that further equipment be supplied about equally by United States and Britain.

General Royce has been authorized by the War Department to include among the members of the proposed military mission to Saudi Arabia to investigate lend-lease military requirements a radio technician to determine what new parts are needed to maintain existing Saudi Arabian Government radio stations in operation. With explanations as to the difficulty of securing complete radio units, this matter was discussed in Washington with Amir Faisal,⁷ who expressed the opinion that his Government would cooperate fully with such a technician and allow him access to all stations and equipment. After consultation with General Royce, arrangements for this should be made through the Legation at Jidda.

With reference to Department's 92, October 23 to Jidda,⁸ please repeat foregoing to Jidda.

STETTINIUS

⁵ Maj. Gen. J. H. Burns, Executive, Munitions Assignments Board, Washington.

⁶ Dated October 23, p. 907.

⁷ For correspondence relating to this visit, see pp. 840 ff.

⁸ See telegram No. 6619, October 23, 1 p. m., to the Ambassador in the United Kingdom, and footnote 99, p. 908.

890F.24/72 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, November 12, 1943—8 p. m.

[Received 8:07 p. m.]

7894. For Alling from Hoskins. General Crain cabling War Department today that British War Office advise they have not as yet made any deliveries of military equipment to Saudi Arabia and have agreed not to make any deliveries pending further discussions and agreement with us. Their main concern remains that no excessive quantities be furnished. [Hoskins.]

WINANT

890F.24/79 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, November 19, 1943—8 a. m.

[Received 10:28 p. m.]

189. Department's 97, November 8. At some date which I have not been able to learn but before any request was made to United States Government for arms Saudi Minister in London asked British for 30 to 40,000 rifles, 100 armored cars, about 100 field guns, about 100 machine guns and a supply of ammunition. Further particulars may be available after return of Sheik Yusuf Yassin from Egypt.

British have delivered nothing so far but have promised 50 reconnaissance cars without specifying date of delivery. Payment if any was not discussed. Foregoing from King Ibn Saud confirmed at British Legation here. British Minister disclaimed any knowledge of quantities of arms said in Department's 1703 to Cairo, November 9, 10 p. m., to have been delivered.

Inclusion of a radio technician in the military mission is highly desirable in view of Saudi desire to secure lend lease radio equipment. A motor transport expert would also be useful.

Department may wish to consider possibility that equal assistance to Saudi Arabia by United States and British Governments apply generally and are not limited by categories. If such principle were accepted, the United States might furnish a greater quantity of arms in view of the many other articles currently delivered by British.

Repeated to Cairo.

MOOSE

890F.515/69 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, November 24, 1943—4 p. m.

[Received 11:48 p. m.]

195. The pilgrimage will take place in about 10 days. Although pilgrims swarming into Jidda buy rials from money changers at about 40 to the sovereign, the Government has received no part of "tariff items" collected abroad (see paragraph 4, Cairo's 1474, August 17, 4 p. m.) and is without funds to pay for services in connection with pilgrimage.

British sources first advised that 4 million rials from lend lease silver would reach here from India by end of October while 2 million from London were expected about November 20. None have arrived yet. Delay and embarrassment resulting from late delivery has done standing of US no good either in popular or official estimation and to some extent offsets the benefit derived from loan of silver.

To retrieve the situation I urge that the 7 million rials being minted in US be delivered in Jidda before December 31. If they could be landed from an American ship the benefit would amply justify the additional effort. Arrival on a warship would be best.

MOOSE

890F.24/67

The Assistant Secretary of State (Berle) to Brigadier General Boykin C. Wright⁹

WASHINGTON, November 25, 1943.

MY DEAR GENERAL WRIGHT: I refer to your letters of November 8 and November 13, 1943, addressed to Mr. Alling,¹⁰ quoting paraphrases of cables relating to a request of the Saudi Arabian Government to be furnished with military supplies.

In the interests of political stability in the Near East, it is considered essential that the Saudi Arabian Government be provided with sufficient military supplies to preserve internal security. However, it is believed that such supplies should be provided only in such quantities as are determined necessary for the preservation of law and order within the country, and that they should be held to the minimum requirements needed for this purpose. It is recommended, furthermore, that these military supplies be provided in substantially equal measure by the Government of the United States and by the British Government.

⁹ Director of International Aid Division, War Department.

¹⁰ Neither printed.

It is noted that an American military mission headed by General Royce is expected to proceed to Saudi Arabia for the purpose of determining the types and quantities of supplies needed. As you know, King Ibn Saud has indicated that he will be glad to receive General Royce and the Mission at Jidda on December 12, 1943.

Sincerely yours,

ADOLF A. BERLE, JR.

890F.515/72a : Telegram

The Secretary of State to the Chargé in Saudi Arabia (Shullaw)

WASHINGTON, November 26, 1943—3 p. m.

106. Please ascertain whether the British Government is continuing, or is planning to continue, payment of subsidies to the Saudi Arabian Government, in view of the lend-leasing of silver.

HULL

800.24/1394b

The Department of State to the British Embassy

AIDE-MÉMOIRE

Reference is made to the Embassy's *aide-mémoire* of October 30, 1943,¹¹ suggesting that one or more high-ranking American officials proceed to London to participate in an informal exchange of views regarding Middle Eastern questions. A reply to this communication will be made in the near future.

It is believed that, irrespective of such arrangements as may be made for an exchange of views on questions affecting the Middle East in general, immediate consideration should be given to ways and means whereby the Government of the United States and of the United Kingdom may assist the Government of Saudi Arabia in the solution of pressing fiscal and currency problems with which it is confronted. In view of the urgency of these problems and in the belief that their solution is not dependent upon an exchange of views regarding questions pertaining to the Middle East in general, it is suggested that the technical aspects of these problems be discussed informally in Washington in the near future by officials of the Government of the United States and of the United Kingdom having a special knowledge of financial matters.

It would be appreciated if the Government of the United Kingdom would provide an expression of its opinion in regard to this suggestion.

WASHINGTON, November 29, 1943.

¹¹ *Ante*, p. 6.

890F.515/72 : Telegram

The Chargé in Saudi Arabia (Shullaw) to the Secretary of State

JIDDA, December 1, 1943—6 p. m.
[Received December 2—11 a. m.]

199. Department's 106, November 26, 3 p. m. British Government is continuing subsidies to Saudi Arabia during 1943 despite lend-leasing of silver. Discussions between Saudi officials and British on 1944 financing will begin after hajj. According to Najib Salha Saudi Government intends to rely on British for financing of expenditures abroad through sterling subsidy while the UA [USA?] will be looked to for internal currency needs. Najib estimates Saudi Arabia will require during 1944 approximately 25,000,000 new rials.

Despite scheduled delivery in 1943 of 15,000,000 rials under lend lease Saudi deficit for year expected to approximate 1,000,000 rials. This year's budget was based on supply of 25,000,000 rials from British and additional sum of 20,000,000 rials to be realized by Government from resale of goods. British delivered 5,000,000 rials and 400,000 pounds gold in lieu of balance but due to appreciation of rial sale of gold in Jidda market failed to realize anticipated number of rials. Further deficit resulted from fact larger proportion than expected of goods imported by Government were distributed free as charity.

Repeated to Cairo.

SHULLAW

890F.24/88

The First Secretary of the British Embassy (Hayter) to the Chief of the Division of Near Eastern Affairs (Alling)

WASHINGTON, December 4, 1943.

DEAR MR. ALLING: It might perhaps be useful if I put on record my recollection of the conclusions of our meeting yesterday on the subject of arms for Saudi Arabia. I think we agreed that:

(1) we should go 50/50 on the provision of arms to Saudi Arabia,
(2) there is an optimum amount of arms for Saudi Arabia, the guide being that there should be sufficient for the maintenance of internal security but no more,

(3) it is necessary to determine this optimum, but this cannot be done until we know the result of the Royce Mission to Jeddah,

(4) General Royce will be informed of the British Government's view that assignments to Saudi Arabia in 1943 should not exceed 50 light reconnaissance cars, 500 light machine guns and 10,000 rifles,

(5) General Royce might be invited to consult British Headquarters in the Middle East before making his final report to Washington, in the hope that an agreed opinion could be sent,

(6) meanwhile there would be a moratorium on assignments or offers of arms to Saudi Arabia.

I shall be grateful if you will let me know whether the above correctly represents your opinion of what passed at our meeting. We are asking London to confirm that this is their wish.

Yours sincerely,

W. G. HAYTER

890F.5151/5 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, December 6, 1943—9 p. m.

[Received December 8—3 p. m.]

2249. From Landis¹² and Moose.

"We strongly feel that action should be taken on proposed currency scheme for Saudi Arabia. Eastern Bank recently requested permission to open a branch in Eastern Saudi Arabia. Establishment of British Bank might result in increasing British financial control and assumption of functions which ought to be performed by financial situation in which there is American participation. Treasury has been furnished with background material by its representatives in Cairo."

KIRK

102.1/9809c : Telegram

The Secretary of State to the Minister Resident in Saudi Arabia (Moose)

WASHINGTON, December 15, 1943—9 p. m.

111. From Treasury. In order to meet the needs of the Legation for riyals, Treasury requests that you submit the following program to Ibn Saud directly or through his ministers:

1. Suggest to the King that he sell to the Legation the number of riyals needed to meet your disbursements from his stock of riyals, including those minted from silver lend-leased from Treasury stocks. It would be advisable to indicate specifically your riyal requirements. Payment for the riyals would be made at the rate of 30 U.S. cents per riyal.

2. Inform the King that at his request the Treasury will convert the dollars which he acquires into gold at the rate of \$35 per fine ounce plus one-fourth of one percent. The Treasury is prepared to provide

¹² James M. Landis, American Director of Economic Operations in the Middle East and principal American civilian representative at the Middle East Supply Center, Cairo.

this gold in the form of bars of five ounces and up, bearing the stamp of the United States Mint and certified as to their weight and fineness, and either earmark the gold for his account at the New York Federal Reserve Bank or arrange to have it shipped to Saudi Arabia by United States Army Air Transport.

Regarding the alternatives of holding some dollars and/or gold here or converting all the dollars into gold for shipment to Saudi Arabia, you should point out to the King that he might desire to keep some funds in the United States which could be used for the purchase of goods in this country.

3. In discussing the rate of 30 cents per riyal, you may find it desirable to point out that: for the \$12 which the King would receive for 40 riyals, the King would be able to buy approximately 164 grains of fine gold; while at the present rate of 40 riyals per sovereign in Saudi Arabia, he can obtain only 113 grains of fine gold, the fine gold content of one sovereign. Delivered in Saudi Arabia, after payment of insurance and all other expenses incidental to the shipment, the net gold derived from the sale of 40 riyals to the Legation would be approximately 156 grains. This latter figure will vary slightly depending on insurance rates, the size of the gold bars shipped, and other factors.

4. If the King reacts favorably to the suggestion of selling riyals to the Legation, you should suggest at a time chosen at your discretion that the King, in order to promote friendly trade relations with the United States, should consider selling riyals for dollars at the rate of 30 cents per riyal to commercial enterprises having need for local means of payment. Any dollars acquired in this way would be convertible into gold under the above conditions. [Treasury.]

HULL

890F.24/88

The Chief of the Division of Near Eastern Affairs (Alling) to the First Secretary of the British Embassy (Hayter)

WASHINGTON, December 15, 1943.

MY DEAR MR. HAYTER: I have received your letter of December 4, 1943, placing on record your recollections as to conclusions reached at a meeting on the previous day regarding questions arising out of proposals to make military supplies available to Saudi Arabia. While I am in agreement that numbered paragraphs (2), (3), and (4) of your letter state the conclusions reached at this meeting, I wish to make the following comments regarding paragraphs (1), (5), and (6).

With respect to paragraph (1), while agreeing in principle, I consider that the expression "50/50" should be defined further. In my opinion, this definition should take the form of a statement that in so far as practicable there shall be approximately equal scales of offers from the United States and Great Britain through the device of a mutually acceptable division of responsibility for providing an agreed upon list of arms.

In regard to paragraph (5) my understanding of this point was to the effect that U.K. might wish to request British Headquarters in Cairo to discuss with General Royce, after his return from Jidda, the questions of amounts and types of munitions which he plans to recommend for assignment to Saudi Arabia, thus making it possible for General Royce to send to Washington full information to be used as a basis for agreement on a single list of items to be furnished by each country.

In paragraph (6) I suggest adding the word "deliveries" so that the phraseology of this paragraph will be as follows:

"meanwhile there would be a moratorium on deliveries, assignments or offers of arms to Saudi Arabia".

It would be appreciated if you would inform me whether these modifications meet with your approval.

Sincerely yours,

[PAUL H. ALLING]

890F.20 Mission/1 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, December 16, 1943—6 a. m.

[Received 12:01 p. m.]

208. Military Mission led by General Royce arrived in Jidda by air December 11 and was presented to King following day. General Royce and small party returned to Cairo December 13 while survey party remained here. Survey party will leave for trip by air to Dhahran, Riyadh, Hail and perhaps other places to collect information. I shall accompany party as instructed in Department's 86, October 12, 9 p. m.¹³

Mission has been cordially received and has made an excellent impression on King and generally as well.

MOOSE

¹³ See footnote 97, p. 907.

890F.515/80 : Telegram

The Secretary of State to the Minister Resident in Saudi Arabia
(Moose)

WASHINGTON, December 18, 1943—10 p. m.

112. Following for your strictly confidential background information with reference to Cairo's 2249, December 6, 9 p. m. from you and Landis.

It is contemplated that the plan outlined in Department's 111, December 15 to Jidda as a means of securing riyals for the Legation and for commercial companies will serve as a preliminary step in the establishment of an independent Saudi Arabian currency system whereby Saudi Arabian currency may be acquired directly for dollars. The Treasury is working on a plan for the establishment of such a currency system, calling for joint American and British participation. On November 30 an *aide-mémoire* was delivered to the British Embassy¹⁴ suggesting joint discussions in Washington on Saudi Arabian financial and currency matters in the near future, but no reply has yet been received. These developments have been set forth in some detail in the enclosures to Department's instruction no. 99 of December 7, 1943.¹⁵

Several American banks are giving serious consideration to the establishment of a branch in Saudi Arabia, and it is believed that one of them may decide in the near future to do so.

HULL

890F.515/74 : Telegram

The Secretary of State to the Minister Resident in Saudi Arabia
(Moose)

WASHINGTON, December 20, 1943—10 p. m.

113. The second shipment of riyals, referred to in your no. 205, December 15, 10 a. m.,¹⁶ is reported to have left England early in second week of November and should arrive in Jidda shortly.

The Saudi Arabian riyal dies have arrived in the United States. Two million riyals will be minted not later than January 10th and the remaining 5 million not later than January 17th, which are the earliest dates the Bureau of the Mint can produce them because of pressure of work. All 7 million will be shipped as expeditiously as

¹⁴ Dated November 29, p. 914.

¹⁵ Instruction No. 99 and one enclosure not printed; the other enclosure is the *aide-mémoire* of November 29, printed on p. 914.

¹⁶ Not printed.

possible. The Department is endeavoring to have them shipped under Navy or Army auspices, preferably on a warship if it should prove feasible to do so.

HULL

890F.24/93

The First Secretary of the British Embassy (Hayter) to the Chief of the Division of Near Eastern Affairs (Alling)

3475/13/43

WASHINGTON, December 22, 1943.

DEAR MR. ALLING: Many thanks for your letter of December 15th about military supplies to Saudi Arabia. I agree that the modifications you propose are in accordance with our discussions.

We have had confirmation from London that the authorities there are in agreement with the conclusions reached and are issuing the necessary instructions.

Yours sincerely,

W. G. HAYTER

890F.51/55

Memorandum by the Chief of the Financial Division (Livesey) to Mr. W. Leonard Parker of the Division of Near Eastern Affairs

[WASHINGTON,] December 23, 1943.

MR. PARKER: Mr. Bernstein tells me that the British have asked for a discussion concerning a currency system for Saudi Arabia. The Treasury has replied that it is working on the theme but is not quite prepared to discuss it. He said that before meeting the British there should be a talk between State and Treasury men and that he will telephone me an invitation for the State Department when he is prepared. He thought this might be about next Monday. Then he supposed that the State Department might also wish to have someone present in the conversations with the British. He asked that I inform the interested persons in the State Department.

He said that Landis has been in and has urged that the 7,000,000 riyals be shipped by a warship. Mr. Landis had spoken to Under Secretary of the Navy Forrestal urging this. Mr. Forrestal said that it is not easy to make a warship available for the purpose. The nearest warship would be in the Mediterranean. It would be doubtful whether one would be sent from here. Mr. Bernstein said he thought the State Department might wish to consider whether the situation is such that it should interpose its influence to assure that a warship was sent for the prestige this would give the United States. He said that he would take this up with Mr. Murray direct, a suggestion in which I concurred.

F. LIVESEY

CONCERN OF THE UNITED STATES FOR SAFEGUARDING AND DEVELOPING PETROLEUM RESERVES IN SAUDI ARABIA; PROPOSAL FOR DISCUSSIONS WITH THE UNITED KINGDOM ON PROBLEMS OF MUTUAL INTEREST REGARDING MIDDLE EASTERN OIL

890F.6363/78

Memorandum from the Joint Chiefs of Staff to President Roosevelt

WASHINGTON, 8 June, 1943.

Subject: Oil Reserves.

In the opinion of the Joint Chiefs of Staff, we are faced with an insufficient supply of crude oil from indigenous production to meet the requirements of the Armed Services of the United States and essential civilian needs. These requirements under strict wartime control are somewhat less than actual peacetime needs have proved to be.

In the interest of national security, it is urged that steps be taken immediately to assure continued control of sufficient oil reserves to meet our country's needs.

Accordingly, it is proposed that the Reconstruction Finance Corporation be directed to organize a corporation specifically for the purpose of acquiring proven foreign petroleum reserves. This would include the immediate acquisition of a controlling interest by the U.S. Government in Saudi Arabian oil concessions, with the provision that the corporation may acquire interests in other properties when so directed.

The Joint Chiefs of Staff recognize the tremendous importance of taking every necessary action to develop additional oil reserves within the continental limits of the United States, but feel that even should efforts to this end progress more favorably than present indications, the acquisition of proven reserves in other parts of the world is necessary and should not be delayed.

For the Joint Chiefs of Staff:

WILLIAM D. LEAHY
*Admiral, U.S. Navy,
Chief of Staff to the*

Commander in Chief of the Army and Navy

890F.6363/77

*Memorandum by Admiral William D. Leahy, Chief of Staff to the
Commander in Chief of the Army and Navy*

WASHINGTON, 11 June, 1943.

The President has directed me to take up personally with the Secretary of State the attached recommendation of the Joint Chiefs of Staff¹⁷ that arrangements be made to obtain for the United States Government interest in the Saudi Arabian oil fields.

¹⁷ Presumably the memorandum of June 8, *supra*.

He suggests that the American Minister in Saudi Arabia, assisted by our American oil expert who has no connection with American commercial oil interests, should make immediate efforts to obtain from Saudi Arabia oil concessions for the United States Government with the purpose of establishing a naval oil fuel reserve similar to those now existing in the United States, the United States Government to pay the usual royalties for the oil when it is taken.

He suggests Captain A. F. Carter, U. S. Naval Reserve, as a competent and suitable expert to assist the Minister in his negotiations.

WILLIAM D. LEAHY

800.6363/1234a

Memorandum by the Secretary of State to President Roosevelt

WASHINGTON, June 14, 1943.

[Here follows section discussing concern of the Department of State that this country possess adequate foreign petroleum reserves, both in peace and war situations; and the bearing of this question on relations with foreign governments in the post-war period.]

II

(5) Particular attention has been directed in several recent proposals to the concessions in Saudi Arabia.

As regards the recommendation of the Joint Chiefs of Staff that increased production and new refinery construction should be immediately undertaken there, the Department is in complete accord. This, presumably, could be brought about by negotiations with the American companies holding the concessions, as are the new refinery extensions now under way in Bahrein, Venezuela, etc. Should any difficulty arise with the Saudi Arabian Government, the Department would do its utmost to secure their satisfactory solution.

The current proposals, however, concern themselves not only with increases of production in the immediate future for war purposes but with *the underlying concession situation*.

An American company, the California-Arabian Standard Oil Company, now possesses the right to explore and develop over a vast stretch of territory which is deemed to include practically all of the promising oil-bearing territory. This Company is owned in equal shares by the Standard Oil Company of California and the Texas Company. The amount of oil extracted up to the present has been small, while the reserves are reported to be extremely great.

Three proposals have been put forward intended permanently to assure that the oil of Saudi Arabia shall serve as a reserve for the United States—apart from the question of immediately increasing production and refinery capacity. They are as follows:

(a) The recommendation in the State Department memorandum of March 31¹⁸ that the Petroleum Reserve Corporation (when created) enter into a contract with the California-Arabian Standard Oil Company whereunder that Company would set aside x billions of barrels of oil in the ground as a reserve for the United States Government to be delivered when and as desired. This amount could be adjusted to the amount of total reserves as they are established by further exploration. Or, the proposal could be put in the form of an arrangement whereby *all* of the oil should be so set aside as reserve for this Government, with an understanding that this Government would release to the companies for commercial sale such amounts as might be decided upon.

It is not believed that an arrangement of this type would require any new significant negotiations with Ibn Saud; though it would be highly advisable to notify him and seek his cooperation.

(b) A recommendation contained in a letter of the Petroleum Administrator for War to the President that this Government purchase from the two parent companies a controlling stock interest in the California-Arabian Standard Oil Company.

There would appear to be no express provision in the agreements between the company and Ibn Saud forbidding such a transaction. But attention is called to the following provision:

“The Company may not, without the consent of the Government, assign its rights and obligations under this contract to anyone, but it is understood that the Company, upon notifying the Government, shall have the right to assign its rights and obligations hereunder to a corporation it may organize exclusively for the purpose of this enterprise.”

In any case, it is believed it would be necessary to notify Ibn Saud of our intention and it is not known what attitude he might take towards the entrance of the American Government into the business of developing oil reserves located within his domain.

(c) The suggestion contained in the memorandum presented by Admiral Leahy to the Secretary of State¹⁹ that this Government send a special mission (composed of the Minister and a special Government representative, Captain Carter, U.S.N.) to negotiate a new concession for oil within Saudi Arabia with Ibn Saud.

The most promising oil-bearing land is already included within the concessions held by the California-Arabian Standard Oil Company, which furthermore has a preferential right to further large stretches of territory located further away from the Persian Gulf Coast.

It is believed essential to point out that any negotiations which disturbed the present concession might have adverse results, and possibly lead to new demands either upon the Company or upon this Government under penalty of reducing the present concession or admitting representatives of other countries.

(6) In this present critical stage of our international relations, and bearing in mind the extreme importance of petroleum questions in the whole of our foreign relations, the Secretary of State is unwill-

¹⁸ Not found in Department files.

¹⁹ June 11, *supra*.

ing to get into controversy with other branches of Government as to the course to pursue in regard to the Saudi Arabia situation. He submits the matter for the judgment of the President in the light of the preceding summary. It is his view that the simplest and most advisable way to proceed in Saudi Arabia is along the lines of (a) that is:

(i) Immediate arrangements with the American companies to develop their production and their refinery.

(ii) Agreements setting aside such reserves as the Army and Navy deem necessary for their requirements.

In view of my understanding that the President has asked Justice Byrnes²⁰ to consider this matter, a copy is being sent to him.

CORDELL HULL

800.6363/1223

*Letter to President Roosevelt*²¹

WASHINGTON, June 26, 1943.

MY DEAR MR. PRESIDENT: As an outcome of discussion held in the Office of Justice Byrnes, representatives of State, Navy, War and Interior Departments met to consider the situation presented by our prospective shortage of domestic petroleum reserves and the consequent imperative need to assure adequate foreign reserves, and the best means of proceeding to that end. They in addition gave particular attention to the situation in Saudi Arabia. They have agreed upon a signed report which we are transmitting to you. We concur and support this report. You will note that if one of its main recommendations is to be put into effect, that is, the creation of the Petroleum Reserve Corporation, it would be most desirable that this action be taken before July 1.²²

Faithfully yours,

CORDELL HULL

Secretary of State

HENRY L. STIMSON

Secretary of War

JAMES V. FORRESTAL

Acting Secretary of the Navy

HAROLD L. ICKES

Secretary of the Interior

²⁰ James F. Byrnes, Director of War Mobilization.

²¹ Sent by the Secretary of State, the Secretary of War, the Acting Secretary of the Navy, and the Secretary of the Interior.

²² This was done on June 30.

[Enclosure]

*Recommendations as to Petroleum Reserves*²³

[WASHINGTON,] 25 June, 1943.

Meetings of representatives of the State, War, Navy and Interior Departments took place on June 17, 19, 21 and 24, 1943, in the office of the Under Secretary of War in an effort to reconcile the views of the several Departments on the subject of the acquisition of petroleum reserves outside of the continental limits of the United States for both war time and post war needs. Besides Judge Patterson, there were present at some or all of these conferences Dr. Feis of the State Department, General Wright and Colonel Covell of the War Department, Mr. Bullitt and Captain Carter of the Navy Department and Mr. Fortas of the Interior Department.

INTRODUCTORY

The factual background, and the military, economic and diplomatic considerations which render the problem both important and urgent, are adequately set forth in the memorandum from the Joint Chiefs of Staff to the President dated June 8, 1943, and in the memorandum to the President from the Secretary of State dated June 14, 1943, and accordingly will not be repeated here.

At the meeting presided over by Mr. Justice Byrnes in the East Offices of the White House on June 12, 1943, at which Mr. Stimson, Mr. Knox, Mr. Ickes, Mr. Feis and General Wright were present, the gravest concern was expressed over the rapidly dwindling domestic reserves of petroleum and recognition was given to the urgent necessity of the acquisition of foreign petroleum reserves by this government at the earliest practicable time. Specifically, all concurred that it was necessary (a) prior to July 1, 1943, to form a corporation for the general purpose of acquiring foreign oil reserves, and (b) immediately to initiate steps looking to the acquisition of an interest in the highly important Saudi Arabian Fields. There were left for further study by the interested Departments and later recommendation to Mr. Justice Byrnes, questions having to do with the directorate and the control of the proposed corporation as well as questions relating to the type of interest or ownership to be acquired in the Saudi Arabian reserves and the method of paying for such acquisition.

²³ Memorandum drafted by representatives of the Department of State, the War Department, the Navy Department, and the Department of the Interior.

RECOMMENDATIONS

The undersigned representatives of the State, War, Navy and Interior Departments agree that the following proposals shall be submitted to the four Secretaries and, if approved by them, shall be presented to Mr. Justice Byrnes as the unanimous recommendations of the four interested Departments:

1. The Reconstruction Finance Corporation will be requested to organize a corporation to be known as the Petroleum Reserves Corporation, or by some similar name, which will be authorized to acquire interests or ownership in petroleum reserves outside the continental limits of the United States, and to finance, retain, develop, exploit or lease such reserves.

2. The Board of Directors of the Petroleum Reserves Corporation will consist of the Secretary of State, the Secretary of War, the Secretary of Navy and the Secretary of Interior.

3. In order that the activities of the Corporation in acquiring foreign oil reserves shall be in accord with American foreign policy, the following principles shall be observed in conduct of the Corporation's affairs:

(a) The Corporation shall not embark on any major projects or undertakings without receiving the prior approval of the Secretary of State;

(b) all major negotiations with foreign governments shall be conducted through the appropriate missions of the State Department or else under its supervision.

4. The interest to be acquired by our government in the Saudi Arabian oil reserves shall be the ownership of 100% of the stock of the corporation now owning the oil concessions. The corporation which now owns the oil concessions is the California Arabian Standard Oil Company, a Delaware Corporation, and its stock is understood to be owned 50% by the Standard Oil Company of California and 50% by the Texas Corporation.

In view of the inherent uncertainty as to the quantity of oil which can be obtained from these or any similar oil fields, it is proposed that payment for the stock of the California Arabian Standard Oil Company shall be made by providing that (a) the present owners shall receive a proportion or percentage of the oil to be produced to be paid in kind or at the option of our government in United States currency, and (b) that such owners shall receive a payment, either in money or in oil, computed upon the basis of reimbursing them for the net expenditures made by them to date in connection with the concession. The percentage or proportion of oil to be received by the present owners should be the minimum amount which under the circumstances it is fair to accord them.

In the event the Petroleum Reserves Corporation shall determine that it is advisable to enter into an operating and management contract covering all or part of the Saudi Arabian oil fields, the two American corporations now owning the concessions may be afforded an opportunity to operate and manage the oil fields in question pursuant to a contract containing such terms and conditions as shall be stipulated by the Petroleum Reserves Corporation (or by its subsidiary, the California Arabian Standard Oil Company) including appropriate provisions placing in the Petroleum Reserves Corporation, or the California Arabian Standard Oil Company, the right to exercise control over the rate of production, the development of oil structures and the sale or other disposition of all oil produced from such fields.

5. Matters connected with the construction of an oil refinery for the Saudi Arabian fields are primarily questions of military policy and as such should be determined by the Army and Navy Petroleum Board. In no event should the consideration of problems as to the acquisition of these oil reserves or the formation of the proposed corporation be permitted to cause delay in carrying out any program for oil refinery construction in Saudi Arabia and elsewhere determined to be advisable by the military services. Instead it is suggested that such programs of refinery construction go forward without delay and that questions as to ultimate financing and ownership be reserved for future determination.

6. After definite determination has been made as to the program to be pursued, it is suggested that Mr. Byrnes, on a confidential basis, should inform certain members of the Congress of this program and should endeavor to obtain their informal approval in advance of the initiation of negotiations with the two American companies now owning the concession.

7. Thereafter, at the earliest practicable time, negotiations are to be commenced with the President of the Standard Oil Company of California and the President of the Texas Corporation in an effort to arrive at tentative agreements along with lines herein set out. The representative of the United States Government in these negotiations will be selected by the four Secretaries and the undersigned will submit recommendations for that purpose.

8. Promptly after exploring the matter with the two American Companies, an official of the United States Government shall be despatched to Saudi Arabia to confer with Mr. Kirk²⁴ and the United States Minister-Resident in Saudi Arabia²⁵ as to the arrangements herein proposed and to obtain their views as to what, if any, confer-

²⁴ Alexander Kirk, the Minister in Egypt, concurrently serving as Minister to Saudi Arabia.

²⁵ James S. Moose, Jr.

ences or discussions with Ibn Saud are required in connection therewith.

9. While the undersigned concur in recommending that the interest to be acquired in the Saudi Arabian Fields should be represented by the ownership of stock as outlined above in paragraph 4, they desire to present for the consideration of the Secretaries the following alternative method of obtaining an interest in these oil fields:

In lieu of any stock acquisition a contract would be entered into by the Petroleum Reserves Corporation and the California Arabian Company (without altering or affecting the existing concessions) which, among other things, would provide:

(a) that a substantial sum of money should be advanced by the Petroleum Reserves Corporation upon the signing of the contract and further sums should be advanced thereafter in agreed installments. Such payments would insure that advance royalties and other obligations due Ibn Saud or the Saudi Arabian Government would be duly met and that exploration and development of the fields would proceed in the manner to be specified in the agreement. The California Arabian Corporation would be obligated to repay all amounts so advanced and the time schedule for making such repayments would bear a relation to the amount of oil produced upon each specific producing structure, over and above an agreed minimum;

(b) that in order to maintain a reserve of oil in the ground in the amount to be specified in the agreement, the California Arabian Company would agree that it would not withdraw for its own purposes more than a specified percentage of the total estimated reserves in the entire group of fields or more than a specified percentage of the estimated amount of oil in each individual structure brought into production. The estimates as to such reserves would be fixed as promptly as may be by agreement between representatives of the California Arabian Company and of the Petroleum Reserves Corporation and provision would be made for revisions from time to time of such estimates as development by drilling proceeded;

(c) that the Petroleum Reserves Corporation would be entitled to call for the production and delivery of the reserved oil at such rates and at such times as it deemed advisable. Payment for the oil so produced and delivered would be made on a cost basis formula to be set forth in the contract.

10. The undersigned desire also to direct attention, in the briefest manner possible, to the various considerations which in their conferences have been advanced as possible advantages and disadvantages of each of these alternatives.

The Stock Acquisition Method:

Suggested Advantages:

(a) that this is a simple, straightforward and readily understandable method and for that reason is easier to defend from domestic attack;

(b) that to the fullest extent practicable this method separates the interests of the government from those of the private companies and thus makes it difficult to criticize the arrangement on the ground that it is the utilization of government funds for private benefit;

(c) that the war need is urgent and immediate and in addition a critical peace-time shortage impends; that this method places complete control over these reserves in the hands of the Petroleum Reserves Corporation for both war and peace-time needs and thus attains fully the desired objectives;

(d) that the only cash payment would be the reimbursement of amounts actually expended and substantial revenues would presumably flow into the United States Treasury from the outset;

(e) that the oil produced could be offered on equal terms to all companies and in addition, if deemed advisable, the right to manage and operate the several structures could be granted to the oil companies making the best competitive bids.

Suggested Disadvantages:

(a) that the stock acquisition method may have undesirable international repercussions, and specifically may cause concern on the part of the U.K. and the U.S.S.R. and may strengthen the tendency of certain Latin American countries to proceed further along the road of oil nationalization;

(b) that it may be contended that this method will put the government in the oil business on a huge scale and by reason thereof a bitter domestic attack may result;

(c) that the desired ends can be attained, at least in large part, without embarking on such an uncharted course;

The Contract Method;

Suggested Advantages:

(a) that from the standpoint of international relations the contract method would not be so apt to create concern or serve as an incentive to the nationalization of oil resources;

(b) that from the domestic standpoint there would be less force to the contention that the government was entering the oil business;

Suggested Disadvantages:

(a) that there would be the danger that such an arrangement, no matter how scrupulously and fully it sought to protect the interests of the government, would be misconstrued and would be unfairly criticized as the use of the resources and prestige, and perhaps even of the armed forces, of our government to provide profit for private capital;

(b) that since it is impossible to determine with accuracy the amount of oil in the ground it would be difficult to make certain that the reserves would not be exhausted and the government left with little oil despite large profits to the companies;

(c) that if the government is to enter the picture at all, the government, and not the private companies, should have control over the development and production of oil and over its sale and distribution in the international market;

(d) that the government would be in the vulnerable position of a co-adventurer or junior business partner with large oil companies which have international tie-ups and which, in their activities outside the United States, operate under quota and cartel systems.

The foregoing is respectfully submitted by the undersigned:

<i>Department of State</i>	{	signed—DR. HERBERT FEIS
<i>War Department</i>		signed—ROBERT P. PATTERSON BOYKIN C. WRIGHT COLONEL W. E. R. COVELL
<i>Navy Department</i>	{	signed—WILLIAM BULLITT CAPTAIN CARTER
<i>Department of Interior</i>		signed—MR. ABE FORTAS

890F.6363/76

*The Secretary of State to President Roosevelt*²⁶

WASHINGTON, July 6, 1943.

MY DEAR MR. PRESIDENT: I have been informed by the Secretary of Commerce that the Petroleum Reserve Corporation has been established.

It is my understanding that you wish the Petroleum Reserve Corporation to address itself immediately to the end of securing for the American Government reserves in Saudi Arabia.

Representatives of the Departments of State, War, Navy and Interior have again met to discuss how best to proceed in this matter, and they have requested that I present to you for your approval the following summary of instructions and of the prospective program of action. It embodies the instruction you gave directly to Mr. Herbert Feis and Mr. Wallace Murray:²⁷

(1) That the by-laws of the Petroleum Reserve Corporation shall provide that the Board of Directors shall be the Secretaries of State, War, Navy, and Interior.

²⁶ The following notation appears on the original: "OK but dress up Section 7 FDR."

²⁷ Adviser on Political Relations.

(2) That you will summon a meeting of the aforementioned Board of Directors of the Petroleum Reserve Corporation and the Chairman of the Reconstruction Finance Corporation at the earliest possible date to formally inaugurate the beginning of operations of the Company; the first item of business shall be the selection of a representative to direct the business negotiations that are in prospect in regard to the Saudi Arabian situation.

(3) That this representative be authorized immediately to undertake discussion, on a strictly confidential basis, with the executives of the Standard Oil Company of California and of the Texas Company, owners of the stock of the California-Arabian Standard Oil Company, which holds the present concession.

(4) That these discussions be addressed to the end of acquiring complete stock ownership of the California-Arabian Standard Oil Company, in accordance with the general terms and conditions set forth in the memorandum of June 25, 1943,²⁸ submitted to you jointly by myself and my colleagues.

(5) When it is indicated, as a result of these discussions, whether and on what terms the desired purchase transaction can be achieved, the matter be then resubmitted to you.

The Reconstruction Finance Corporation shall supply the Petroleum Reserves Corporation with such funds, either as a loan or as a contribution to capital, as from time to time you may determine to be advisable—until such time as funds might be made directly available by Congress.

(6) Upon receipt of your approval, a special representative shall be sent to the Middle East to confer with the American Minister in Cairo, and the American Minister Resident in Saudi Arabia, as to how best to bring the matter before Ibn Saud; and upon receipt of this advice, and any necessary instructions from Washington, these officials shall proceed to give Ibn Saud the necessary notification.

(7) That in presenting the matter to Ibn Saud it should be made clear that this Government, as owner of the concession, would completely respect its terms and in every way observe the independence of Saudi Arabia.

That in addition, and as an indication of our desire to have the development of the oil resources of Saudi Arabia serve the internal economic development of that country, this Government will pledge itself to set aside in the ground and to protect against all withdrawal an amount of oil believed to be sufficient to supply the domestic consumption needs of Saudi Arabia and to facilitate its development during the lifetime of the concession. As far as it may be practicable this special reserve shall be located in particular defined proven structures which shall be specifically denominated as Saudi Arabian national reserves and production will be drawn therefrom by the Company only upon the instruction of the Government of Saudi Arabia. This action will be taken by us without any request for compensation on the part of Saudi Arabia. It will be in addition to

²⁸ *Ante*, p. 925.

the very substantial royalty payments on all production to which the Saudi Arabian Government is entitled under existing agreements (4 shillings, gold, per ton).

This program has the unanimous agreement of the State-War-Navy-Interior group of officials that formulated the original proposals which you have approved. Will you kindly advise me if it meets your ideas satisfactorily.

Faithfully yours,

CORDELL HULL

890F.6363/61

The Secretary of Commerce (Jones) to the Secretary of State

WASHINGTON, July 11, 1943.

DEAR MR. SECRETARY: I have your letter of July 6,²⁹ enclosing copy of your letter of that date to the President,³⁰ regarding the matter of securing for the American Government oil reserves in Saudi Arabia.

Petroleum Reserves Corporation was created by Reconstruction Finance Corporation on June 30, 1943, pursuant to Section 5d (3) of the RFC Act,³¹ as amended. Its by-laws state that the Corporation shall have not less than five directors nor more than ten. Five Directors have been appointed: The Secretaries of State, War, Navy, Interior and Commerce.

When the President sent me your letter, dated June 26, which was also signed by the Secretaries of War, Navy and Interior, he stated that he approved the plan outlined in your letter to him, but that no further action of any kind was to be taken pending further instructions from him.

When the President has replied to your letter and there is to be a meeting of the Board of Directors, I will be glad to be advised.

Sincerely yours,

JESSE H. JONES

890F.6363/56a: Telegram

The Secretary of State to the Minister Resident in Saudi Arabia (Moose)

WASHINGTON, July 23, 1943—10 p. m.

36. Please cable in confidential code, up-to-the minute report on present activities of California-Arabian Company³² in Saudi Arabia, giving in detail, account of present drilling and exploration activities, production, actual and potential, transportation arrangements

²⁹ Not printed.

³⁰ *Supra.*

³¹ 47 Stat. 5.

³² The California Arabian Standard Oil Company (Casoc).

and disposition of present production, distribution activities within Saudi Arabia. Also please give account of any new development in relationship to Saudi Arabian Government. It is realized that you have kept Department well-informed on these matters but this request is to assure that our information is complete and up to the minute. Please hold this inquiry in utmost secrecy.

HULL

890F.6363/57

*Memorandum by the Adviser on International Economic Affairs
(Feis) to the Secretary of State*

[WASHINGTON,] July 26, 1943.

MR. SECRETARY: On July 23, Commodore Carter, Navy Representative on the Army-Navy Petroleum Board, informed me that the Board had concluded that the one refinery project which it should have carried out by this Government for military reasons was the erection of a refinery in Saudi Arabia. The plans drawn contemplated production of 20,000 barrels a day of aviation gasoline and a total potentiality of about 100,000 barrels a day; its estimated cost would be in the neighborhood of \$100,000,000. The decision to construct a refinery in Saudi Arabia had been based on anticipation of military supply needs in the Southwest Pacific, strengthened by the conclusion that it would be advisable in the long run to draw on Persian Gulf supplies for the quantities needed, rather than on our own domestic supplies.

Commodore Carter pointed out that in our previous discussions regarding the plan of having the Government acquire stock ownership in the California-Arabian Company it had been the view that any discussions which might be required with the Company for refinery construction, should be carried on independently in order not to risk delay. He observed, however, that it was plain if an undertaking of this size was begun, it would in the first place, require Government financing and in the second place, be certain to influence the Company's attitude in the prospective discussions with this Government about stock purchase. I agreed with these observations and said I thought the matter ought to be discussed with the Secretary of the Interior, who had been indicated as senior negotiator on Saudi Arabian matters by the President.

The meeting with Secretary of the Interior took place this afternoon. There were present besides Commodore Carter and myself, Under Secretary Fortas and their General Counsel. Commodore Carter and I explained the matter to Mr. Ickes as summarized above.

Mr. Ickes stated that he wished to inform us: (a) that he had talked

with Mr. Crowley about the Petroleum Reserve Corporation, who had agreed that the by-laws should be (as drafted by the Reconstruction Finance Corporation) superseded by a new set of by-laws; (b) that the Secretary of Commerce, who had been nominated as one of the directors in the RFC by-laws, should not be a member of the Board; Mr. Crowley would be added. (c) that Secretary Ickes would become President of the Petroleum Reserve Corporation, and (d) it was agreed that as soon as new by-laws were put into effect, the directors should meet and the Company thus become ready to undertake business.

The Secretary of the Interior said, therefore, that he anticipated the Petroleum Reserve Corporation would be in a position to carry out the Saudi Arabian refinery project recommended by the Army-Navy Petroleum Board; that it was his judgment that this was a more satisfactory way of having it received than directly by the Army—to which opinion Commodore Carter subscribed. Secretary Ickes said he felt that the need for this refinery construction was an added element in the Government's position, strengthening the ground on which it could make proposals for the purchase of the stock of the California-Arabian Company. The investment was so large the companies could not finance it without immense Government aid.

He therefore proposed that both matters be discussed at the same time with the Presidents of the Standard Oil of California and the Texas Company next Monday, for which time an appointment had already been made with these officials to discuss stock purchase proposal. Commodore Carter indicated his agreement with this view and program, and I did the same.

H. FEIS

890F.6363/56 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, July 27, 1943—9 a. m.

[Received July 26—9:30 p. m.]

72. Department's 36, July 23, 10 p. m. Casoc suspended exploration by field parties in summer 1941 and by structure drilling August 1942. Company now preparing to send field party to explore extreme north part of concession lying along Transjordan and Iraq frontiers.

Drilling is going on at wildcat well at Jauf a locality 150 kilometers north of Abu Hadriyah and probably not marked on any map. Abqaiq well No. 4 is now being rigged up. No further drilling in progress.

Current daily production varies from 6000 barrels to 20,000 and perhaps averages 12,500. This could be considerably increased. An

estimate not intended for quotation is that Dammam Dome could produce 40,000 barrels daily without injury to field and 100,000 barrels daily in ruinous production. By installing pipelines to Abqaiq and Abu Hadriyah and supplemental equipment possibly 100,000 barrels daily could be produced without injuring deposits.

All present production is barged to Bahrein for refining and thence mixed with Bahrein oil is distributed through Caltex to markets in India, Egypt, Australia, South and West Africa, Madagascar, Ceylon, Portuguese East Africa and perhaps elsewhere. Transportation is effected through Caltex owned and chartered tankers and outside tankers. Details of distribution not known here but could be secured from Caltex, New York.

To date petroleum products have been supplied in Saudi Arabia only to the Government. Deliveries in 1942 were: gasoline 3,022,006 United States gallons; kerosene 114,043 United States gallons; diesel oil 336,392 United States gallons; lubricating oil 78,142 United States gallons. Company plans soon to supply province of Alhasa with kerosene selling through local merchants. No estimate available of quantities to be distributed but thought to be small.

Recent developments in relations between Government and Company include extension of concession for 2 years because of recognition that war conditions have retarded development of concession through no fault of Company. Also Company has recently signified intention of participating in Al Kharj reclamation project to a much greater extent than it had ever taken in a Government enterprise. Company officials recognize that this is only first step in policy where Company will assist in many activities in no way related to oil (see despatch No. 2, July 22, 1943³³). Company currently has difficulty in finding riyals to meet payrolls but so does the Government. Company's Jidda representative departing for United States today advises that no issues with Government are pending.

The Department's inquiry has not been divulged to Company officials.

MOOSE

890F.6363/58 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, July 27, 1943—9 a. m.

[Received July 31—3:06 p. m.]

1327. Personal for the Secretary and Under Secretary. Colonel Hoskins³⁴ tells me that a project is being considered whereby the oil concessions in Saudi Arabia now operated by the California Arabian

³³ Not printed.

³⁴ Lt. Col. Harold B. Hoskins; regarding the visit by Lt. Col. Hoskins to Saudi Arabia, see pp. 796-821, *passim*.

Standard Oil Company would be taken over by the American Government and although my observations are circumscribed by insufficient knowledge of the details of this project and are limited to aspects affecting its local application without regard to any problems which may exist at home I feel, nevertheless, compelled to submit my views to you.

From the time of my first visit to Saudi Arabia in May 1942, I have been impressed by the high standard established and maintained by California Arabian Standard Oil Company in all its activities in that country as well as by the special regard in which the Company and the representatives were held by the King and his advisors, and this factor has been mentioned by me in reports to the Department. In fact the esteem which America and Americans enjoyed in Saudi Arabia was largely due to the quality of the conduct of business by that Company and the nature of its relations with the King's Government. The success of the Company in symbolizing in that country the essence of American business ethics and industrial progress may be ascribed, I believe, not only to the modern standard of their installations and operations but especially to their enlightened methods of dealing with the officials and people there. This latter point is especially important in a country such as Saudi Arabia where the full benefit of the Company concessions cannot be obtained without contributing to the development of the country itself and this the representatives of the Company have effected to a high degree by rendering services including building roads, planning irrigation projects, establishing schools, and, even supplying and maintaining the amenities of civilized life for the King and other prominent Saudi Arabians. I submit that under Government administration that elasticity of operation would not obtain which now enables California Arabian Standard Oil Company to secure the results mentioned above.

Another factor which both the King and members of his entourage have repeatedly emphasized in this regard was that a primary consideration in awarding concessions to Casoc was reliance on the absence of ulterior American political motives in respect of Saudi Arabia specifically and Near East generally, as opposed to the suspected policy of certain other governments and the fact that this assumption had been borne out by subsequent developments was mentioned as a source of gratification. Overt American Government intervention in oil operation in Saudi Arabia would tend to tar us with the same brush.

A further consideration may be found in the larger sphere of American economic expansion in the foreign field after the armistice. The conduct of business in Arab countries is a specialized concern. It requires special methods, specialized personnel, competent to cope with the devious business systems prevalent in Near East countries.

Above all it requires a system free from direct foreign government control which rightly or wrongly is ever open to the accusation of economic penetration for political purposes. The ideal economic policy for the United States in this area, as no doubt in others, would be more active and consistent governmental support than has generally prevailed in the past of the right kind of private American business enterprise with direct government participation in the national life of the respective countries limited to those fields in which our own enlightened altruism cannot be impugned and which are fertile ground for the development of good will. The government operation of oil concessions would, I submit, run counter to such a plan for the future.

I repeat that the foregoing observations are predicated solely on the consideration of the local aspects of the problem and of course on the assumption that the California Arabian Standard Oil Company as now constituted is capable of satisfying the requirements as to their production. In addition to the objections enumerated I can foresee also serious complications in the transfer of the present concession to direct United States Government control both in relation to Saudi Arabia itself as well as to other governments whose suspicions might be aroused thereby. On the basis of the foregoing, therefore, I believe that unless it can be clearly established that the present situation is actually impeding the immediate prosecution of the war, no steps should be taken to alter the status of Casoc insofar as its identity in Saudi Arabia is concerned.

KIRK

890F.6363/58 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, August 5, 1943—10 p. m.

1101. In view of the extreme delicacy of the questions involved and the necessity of absolute secrecy in regard thereto, please request Colonel Hoskins to refrain entirely from any further discussion of the matter referred to in your 1327, July 27, 9 a. m.

HULL

890F.6363/64

*Memorandum by the Adviser on International Economic Affairs
(Feis)*

[WASHINGTON,] September 3, 1943.

MEMORANDUM FOR THE FILES

I have just been informed it was decided to issue today the letter of intent in which the Petroleum Reserves Corporation would author-

ize the California-Arabian Standard Oil Company to proceed with the construction of a very large refinery in Saudi Arabia.³⁵ This refinery project will be undertaken in order to assure adequate supplies for operations in the Far East. The letter of intent merely authorizes the company to undertake certain expenditures; the method of finance, and relationship between the United States Government and the Company, are to be determined by future negotiation.

In view of the importance of and interest in the project, the question of notification to the Saudi Arabian and British Governments presented itself. On the basis of discussions held at the last meeting of the Board of Directors of the Petroleum Reserves Corporation, and subsequent clearance with Mr. Wallace Murray, the following procedure has been decided upon:

(1) That the first notification shall be made to Ibn Saud by the representatives of the California-Arabian Standard Oil Company in the light of their close and satisfactory relationships with Ibn Saud, and the fact that the refinery will be constructed under their concession, and the fact that they will carry out the construction.

(2) Almost immediately thereafter, by instruction from the Department, our Legation will similarly discuss the project with Ibn Saud.

(3) Notification to the British shall be made through the War Petroleum Board. This method was selected as the way most calculated to have the project accepted as a military project. It will be made clear that in the event the British Government wishes to discuss the matter with the State Department, our doors are open.

H. FEIS

890F.6363/73a : Telegram

*The Secretary of State to the Minister Resident in Saudi Arabia
(Moose)*

WASHINGTON, October 9, 1943—7 p. m.

84. In order to assure adequate supply of petroleum production for possible military operations in the Far East, the United States Government has decided to proceed with the erection of a large refinery in the Middle East. The location of this refinery has not yet been finally decided, however, this Government is now in discussion with representatives of the California-Arabian Standard Oil Company with a view to possibly locating this refinery in Saudi Arabia. It might be a very large project and its operation should add greatly to the revenue of Saudi Arabia. If agreement is reached, the under-

³⁵ Extensive discussions regarding this subject had taken place during the summer between officials of the Departments of State, War, Navy, Commerce, and Interior, and the Director of War Mobilization and the Petroleum Administrator for War.

taking will be in accordance with terms of the concession and the refinery will be erected and operated by the California-Arabian Company in accordance with that concession.

The California-Arabian Oil Company is, we believe, advising the Arabian Princes³⁶ of this project and plans to instruct its representative in Saudi Arabia to convey this information to the Saudi Arabian Government. Will you kindly immediately get in touch with that representative and make suitable arrangements whereunder you would inform Ibn Saud of this matter at the earliest opportunity after the Company representative has done so. Such an opportunity might occur when with General Royce's³⁷ mission you visit Riyadh as suggested in the Legation's 155, October 7, noon.³⁸

You may also inform Ibn Saud that arising out of and in connection with this large refinery project, which will involve large scale Government financing, in one form or another, the Government is also talking with companies that own California-Arabian Oil Company of the possibility of securing a participation in the California-Arabian Company such as might protect the public interests in this Government investment. These discussions have not yet reached definite conclusion.

If for any reason this instruction is not, in your judgment, a satisfactory way of bringing the matter before Ibn Saud, you are authorized to delay action and immediately communicate your suggestions and views as to how this project should be handled to the Department.

HULL

800.6363/1341a : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, October 13, 1943—10 a. m.

6367. For your information, the Petroleum Reserves Corporation (a corporation of this Government of which the Secretary of the Interior is President) is sending three members of its staff, E. L. DeGolyer, William S. Wrather and John H. Murrell, who are geologists and engineers, to inspect and study various oil fields and developments in the Persian Gulf area. Their mission is to make a technical study of the oil fields, the production, distribution and refining installations in the area, and problems connected therewith. They are not to deal in any way with any question of policy concerning governmental or company relationships or policy.

³⁶ For correspondence relating to the visit to the United States of two sons of King Ibn Saud, see pp. 840 ff.

³⁷ Maj. Gen. Ralph Royce; for correspondence relating to the Royce Military Mission to Saudi Arabia, see pp. 904 ff., *passim*.

³⁸ *Ante*, p. 904.

The group hopes to depart about October 26 with Cairo as the first destination. They will also visit Palestine, Syria, Iraq, Iran, Kuwait, Bahrein and Saudi Arabia. They will reach London for a week's stay sometime in December. If possible you will be advised later concerning the exact date of their arrival. Please render them any assistance they may require while in London.

HULL

890F.6363/89

Memorandum by the Adviser on Political Relations (Murray) to the Under Secretary of State (Stettinius)

[WASHINGTON,] October 26, 1943.

MR. STETTINIUS: You may wish to note the attached marked copy of *The Wall Street Journal* of Thursday, October 21, 1943, carrying a story on the front page regarding the negotiations which have been in progress between the Petroleum Reserves Corporation and the Standard Oil Company of California with a view to acquisition of that company's holdings in Saudi Arabia.

These negotiations were supposed to have been conducted in the greatest secrecy but widespread rumors regarding them were current even before the present article was published.

In this connection the following reassuring information reached us yesterday:

The California-Arabian Standard Oil Company representative in Saudi Arabia, acting under instructions of his company and in agreement with us, spoke to King Ibn Saud some time after October 9th last and informed him "that arising out of and in connection with the large refinery project which will involve large-scale Government financing in one form or another, this Government is also talking with the companies that own the California-Arabian Oil Company of the possibility of securing a participation in the California-Arabian Company such as might protect the public interests in this Government investment." Our representative in Saudi Arabia was instructed to convey the same information officially to King Ibn Saud by the attached telegram no. 84 of October 9, 1943.³⁹

The gratifying reaction of King Ibn Saud to the above notification, conveyed to us by the companies' representatives in this country, is said to be that the King has complete confidence in the good faith of the American Government and that any arrangement along the above lines which we find desirable will be agreeable to the King.

We expect that our diplomatic representative in Jidda will confirm this report as soon as he has been able to discuss the matter with the

³⁹ *Ante*, p. 938.

King who is expected to proceed to the Hejaz shortly to be present during the forthcoming annual pilgrimage to the holy places.

All in all, therefore, the situation seems encouraging. According to Mr. Fortas, the companies are showing a more favorable disposition to come to some arrangement looking to participation by this Government in the exploitation of Saudi Arabian oil, and the King is reliably reported to be favorably disposed towards such an arrangement if and when consummated.

WALLACE MURRAY

890F.6363/82 : Telegram

The Minister Resident in Saudi Arabia (Moose) to the Secretary of State

JIDDA, November 3, 1943—11 a. m.

[Received 3:42 p. m.]

172. Yesterday morning at the first opportunity which has offered since my return to Jidda I informed the King verbally the sense of the Department's 84, October 9, 7 p. m. confirming what he had already learned from Casoc, General Manager, on or about October 16.

The King expressed pleasure at prospective development, seemed to consider United States Government participation as perfectly natural and expressed belief that project would be beneficial both to Saudi and United States Governments.

MOOSE

800.6363/1367a

The Secretary of State to the Secretary of the Interior (Ickes)^{39a}

WASHINGTON, November 13, 1943.

MY DEAR MR. ICKES: This Department has become increasingly concerned over the course taken by various proposals respecting the development and utilization of the petroleum resources of the Middle East. We have particularly in mind the relations of this Government with certain independent governments in that area, and the long-term effects of any adopted line of action upon the American petroleum position in the Middle East.

It is believed desirable at the outset to invite attention to the fact that the main purport of the decisions taken by the Petroleum Reserves Corporation from time to time has become public knowledge. In view of this fact, the Department feels that the Corporation should bear carefully in mind that its attitude towards the problems before it, and the shifts in attitude which take place, are bound to produce reactions,

^{39a} This letter was addressed to Mr. Ickes in his capacity as President of the Petroleum Reserves Corporation.

whether favorable or unfavorable, from the foreign governments and peoples directly or indirectly concerned.

It will be recalled that the Corporation first contemplated the construction of a large refinery in Saudi Arabia and the complete or partial ownership of the California Arabian Standard Oil Company. When these facts became known to the public, the Department found it necessary to inform King Ibn Saud of them, since the future of his country is, of course, intimately connected with any such development.

It is now announced in today's press that the negotiations over the refinery and over this Government's participation in the California Arabian Company have broken down. This information, coming on the heels of what had previously been announced, cannot fail to create, in the Saudi Arabian Government, a lack of confidence in the sustained interest and purposefulness of this Government respecting Saudi Arabian oil, which that country is most anxious to have developed. It also cannot fail to weaken in the eyes of King Ibn Saud the position of the American company which holds the concession, since there is now no assurance that its holdings will be substantially developed in the near future.

This Department believes that there should be a full realization of the fact that the oil of Saudi Arabia constitutes one of the world's greatest prizes, and that it is extremely short-sighted to take any step which would tend to discredit the American interest therein, whether that interest be of a public or private character.

We are informed by sources of unquestioned reliability that influences will be brought to bear upon King Ibn Saud in the not distant future for the purpose of undermining his confidence in the American interest in his country's petroleum resources. The financial support which the King has been obliged, by his country's weakened economy, to obtain from a certain Power, naturally afford a ready-made pretext and opportunity for that Power to secure an interest in Saudi Arabian oil at the expense of the American interest. Since this Department has been exerting every effort, for some time past, to counterbalance and offset the obligations mentioned, it will naturally be very discouraging if those efforts are nullified by lack of a settled policy respecting Saudi Arabian oil.

This Department is convinced that the British, in the handling of Middle Eastern oil, have the long-term view in mind as well as the short, and that for the proper protection of American interests it is necessary for us to do likewise. We strongly favor the full utilization of British oil resources and equipment in the Middle East to relieve the strain on American production. However, it should be kept clearly in mind that the expansion of British facilities serve to build

up their post-war position in the Middle East at the expense of American interests there. Accordingly, we believe that consideration should be given to any further increase of British oil facilities in the Middle Eastern area only if such increase is clearly necessary from the military viewpoint and the need could not be met by providing for increased supplies of American Middle Eastern oil. In this connection, we have learned with considerable apprehension that projects are being entertained for the further expansion of the facilities of the Anglo-Iranian Oil Company, a wholly-owned British concern which already has the largest refinery in existence; for a new pipe line to the Mediterranean from the Iraqi oilfields, a project which would benefit the Iraq Petroleum Company in which the British have a controlling (we only a minority) interest; and for a refinery in British India utilizing the production of Qatar or other British-controlled oil. The last-named project may not be unconnected with marketing arrangements between certain British and American companies. On the other hand, we understand that there are several refinery projects which have been advanced by American companies holding Middle Eastern Oil, one an alternative proposal by the California Arabian Standard Oil Company for a smaller refinery than that previously contemplated for Saudi Arabia. We believe that full consideration should be given these proposals and that, to the maximum extent consistent with direct war requirements, they as well as any other possible expansion of American facilities should have priority over any further expansions of British facilities in the Middle East area.

We believe that strong criticism will develop if British petroleum facilities in the Middle East are further expanded for American purposes and with American materials, for to do so will retard the development of American enterprises, jeopardize their holdings, and so tend to make this country dependent on British oil in the future.

Copies of this letter are being sent to the other Directors of the Petroleum Reserves Corporation, and to the Deputy Petroleum Administrator for War.

Sincerely yours,

CORDELL HULL

800.6363/1387

Memorandum by the Adviser on Political Relations (Murray) ⁴⁰

[WASHINGTON,] November 24, 1943.

As you know, over a considerable period of time a number of officers in the Department have been giving consideration to the advisability of initiating discussions with the British covering a range of petro-

⁴⁰ Addressed to the Secretary of State and the Under Secretary of State (Stettinius).

leum problems of mutual interest in the Middle East, with a view to exploring the possibility of reaching an agreement on oil in that area.⁴¹

It is believed that any discussions with the British should envisage the orderly development on the basis of sound conservation practices of the vast oil resources of the Persian Gulf area, a substantial part of which are now held jointly by British and American interests, with a view to assuring freely available supplies on equal terms to the United States and all other peaceful nations, and proper benefits to the countries in the area from the development of their resources. With this end in view, the discussions would have to deal with the existing restrictions on exploration, production, and marketing by American interests. (For example, the Socony-Vacuum Oil Company and Standard Oil Company of New Jersey, which hold a 23¾% interest in the British-controlled Iraq Petroleum Company, with important concessions in Iraq, Qatar and Trucial Oman, are prevented by the Red Line Agreement⁴² from seeking outside the Iraq Petroleum Company additional concessions within a large area. The Gulf Oil Company, which owns jointly with the British-controlled Anglo-Iranian Oil Company the important concessions in Kuwait, cannot

⁴¹ Departmental consideration of an international agreement as a method of safeguarding and developing Middle East resources may be traced back at least as far as March 22, 1943, when the State Department Committee on International Petroleum Policy, in a report to the Secretary of State, recommended "the promotion of, and participation in international agreements having to do with the exploitation of oil reserves and their free movement in international commerce" (800.6363/3-2243); this memorandum was in turn forwarded by the Secretary of State to the Secretary of War, the Secretary of the Navy and the Secretary of the Interior, respectively, with letters dated March 31 (811.6363/524a, 524b, 524c). The Minutes of the first meeting of the Special Committee on Petroleum on June 15, 1943, record that the Adviser on International Economic Affairs (Feis) "raised the question of the feasibility of an over-all agreement between the United States and the United Kingdom covering the whole [Middle East] area" (811.6363/6-1543); the Special Committee on Petroleum consisted of representatives of the State, War, and Navy Departments and the Petroleum Administration for War.

⁴² For text of the Group (Red Line) Agreement between private American and European oil companies, July 31, 1928, see House of Representatives, *Current Antitrust Problems*: Hearings before Antitrust Subcommittee of the Committee on the Judiciary, 84th Cong., 1st sess., pt. 2, pp. 1004 ff.; the name is derived from the red line drawn on a map which was included as an attached schedule to the agreement, illustrative of certain restrictive provisions imposed by the companies on themselves in the agreement. The red line delimited a "defined area" from which the companies mutually excluded (with slight qualifications) themselves except as shareholders of the Turkish (Iraq) Petroleum Company; as the area of demarcation included generally all of the old Ottoman Empire except the sheikhdom of Kuwait and Egypt, this self-denying provision in effect confined the operations of the participating companies to the Iraq concession area.

For correspondence regarding the negotiations leading up to this agreement, extending over several years, and the interest of the United States Government therein, see *Foreign Relations*, 1922, vol. II, pp. 333 ff.; *ibid.*, 1923, vol. II, pp. 240 ff.; *ibid.*, 1924, vol. II, pp. 222 ff.; *ibid.*, 1925, vol. II, pp. 239 ff.; *ibid.*, 1926, vol. II, pp. 362 ff.; and *ibid.*, 1927, vol. II, pp. 816 ff.; the whole subject of Middle Eastern oil is discussed at length in Senate Committee Print No. 6, *The International Petroleum Cartel*: Staff Report to the Federal Trade Commission submitted to the Subcommittee on Monopoly of the Select Committee on Small Business, 82d Cong., 2d sess. (378 pages).

market its oil from Kuwait in any market of interest to the Anglo-Iranian Oil Company.) The discussion would also have to deal with the questions of the greater development by the British in their own interest of certain oil fields rather than others, and British political pressure on local governments to further their own ends regarding oil. Finally, in order to remove the reason for these restrictions and practices, a solution would have to be sought to the fundamental problem of the disposition of larger quantities of Middle Eastern oil without disorganizing the markets for that oil.

The solution of these problems appears to be clearly beyond the power of the companies, and there are good indications that the companies, both American and British, would welcome discussions between the two Governments. (It will be recalled that the Anglo-Iranian Oil Company clearly indicated to the Gulf Oil Company that their mutual problems regarding the marketing of Kuwait oil could only be dealt with on an intergovernmental basis.) The oil resources of the area are too important from the long-range as well as from the immediate viewpoint for their development to be permitted to remain subject to existing burdens.

In view of the foregoing, the officers of the Department who have been considering this matter are strongly of the opinion that discussions should be initiated with the British on the subject of oil in the Middle East. Furthermore, it is believed to be highly desirable, for the following reasons, that these discussions be commenced promptly and that they be conducted throughout under the firm direction of the Department. There are indications that the British are utilizing present developments to achieve long-range ends. Thus, for the purpose of providing more British-controlled oil from the Middle East, they are urging projects for the expansion of British facilities in that area which, under the existing materials supply situation, cannot but be at the expense of American interests in the area. Therefore, the airing of all problems, including these pending matters, between us should not be delayed.

Because of the delicate situation in the Near East in general and in particular the effect which actions by this Government in the field of Middle East oil will have upon the governments in the area and hence upon American concessions there, it is imperative that developments in the field of foreign oil policy, which include the protection of vital American interests abroad and is so important a part of broad foreign political and economic policy, should be guided by the Department.

Accordingly, if you approve, it is proposed to advise the interdepartmental Special Committee on Petroleum (headed by this Department and composed of representatives of the War and Navy Departments, the Petroleum Administration for War and the Petro-

leum Reserves Corporation, and the Tariff Commission), that the Department considers it highly desirable that discussions of Near Eastern oil be initiated with the British.

It is also proposed that you give a note to the British Ambassador suggesting that informal and preliminary conversations be undertaken between the two Governments for the purpose of formulating recommendations to the two Governments for the achievement of cooperation concerning oil in the Middle East. It is suggested that at the same time you orally impress upon him the urgency of this matter.

It is further suggested that a memorandum setting forth the Department's views concerning the conduct of the discussions should be presented to the President at the earliest practicable date for his approval. It is believed that this memorandum should indicate clearly the reasons for the Department's guiding the discussions and, while providing for a representative of the Secretary of the Interior and the Petroleum Administrator for War, should establish the representative of the Department as head of the group conducting the discussion for this Government. This procedure, if approved by the President, should ensure that the conversations will be kept under the Department's guidance.

While discussions with the British should contemplate the possible desirability of concluding a formal agreement embodying a settlement of the problems regarding oil in the Middle East, it is anticipated that such a step would follow, rather than precede, a thorough examination of all problems. On the other hand, it appears advisable that an early preliminary understanding be sought with the British, which at the same time would establish the basis for discussions and provide for an announcement which would allay any fears that other countries might have that an arrangement is in prospect for exclusive control of Middle East oil resources by the two Governments.

Accordingly, it is proposed that we seek at an early stage the agreement of the British to the simultaneous issuance in Washington and London of a press release along the lines of the attached.⁴³

[Here follows a discussion of the proposed press release.]

There is also attached for your consideration a draft note to the British Government⁴⁴ concerning the initiation of discussions with that Government.

It is suggested that you may wish to consult at an appropriate stage the leaders of Congress in regard to this proposed course of action. Also, since it is believed to be very important that the American oil

⁴³ Not printed.

⁴⁴ Not found attached; for note sent by the Secretary of State to the British Ambassador on December 2, see *infra*.

companies operating in the Near Eastern area be advised (the British Government will undoubtedly consult the Anglo-Iranian Oil Company) and have an opportunity to indicate their views concerning the feasibility of any further possible solutions, those companies should be kept sufficiently informed of our plans in this matter. If you approve, we will take steps to inform the companies at the proper time.

WALLACE MURRAY

800.6363/1388a

*The Secretary of State to the British Ambassador (Halifax)*⁴⁵

WASHINGTON, December 2, 1943.

EXCELLENCY: In view of the great and world-wide importance of petroleum from the long-range as well as the immediate wartime viewpoint, and of the fact that nationals of our two countries hold, to a substantial extent jointly, rights to develop extensive oil resources in the Middle East, this Government would welcome informal and preliminary discussions between our two Governments regarding petroleum problems of mutual interest in that area for the purpose of formulating appropriate recommendations to the two Governments.

Immediate war requirements necessitate current consideration of measures relative to the development of supplies in the Near East area for war and other essential purposes, involving increased production and the expansion of facilities. These matters have implications of great consequence for the future. Accordingly, in order that these present questions and the continuing problems in this field may be brought into proper relation with a view to reaching lasting conclusions on a basis of close cooperation, it is strongly believed that discussions should be undertaken promptly. If Your Excellency's Government is of the same opinion, it is suggested that the two Governments proceed at once to designate representatives to meet without delay for the purpose of initiating these conversations.

Because of the urgency and importance of this subject, it is requested that I be informed at the earliest possible moment of the views of your Government.

Accept [etc.]

CORDELL HULL

⁴⁵ In a letter of January 11, 1944, to the British Ambassador, the Under Secretary of State (Stettinius) stated: "Although the Secretary's note of December 2, 1943, did not so state, I assume that it is clearly understood by your Government that it is our firm desire that the contemplated conversations on oil will be conducted entirely separate from any other subject and will be held here in Washington." (800.6363/1439b)

800.6363/1423

*Memorandum by the Secretary of State to President Roosevelt*⁴⁶

WASHINGTON, December 8, 1943.

As you know, the full development of Middle Eastern oil resources is of tremendous wartime and long-range importance. Because of the complex problems involved, those resources, which are held to a substantial extent jointly by American and British interests, cannot be adequately developed unless the United States and British Governments reach an agreement providing for close cooperation.

Consequently, I addressed a note on December 2, 1943 to the British Ambassador inviting the British Government to designate representatives to meet representatives of this Government to initiate exploratory conversations regarding this matter. The Department understands on good authority that the British Government will welcome such conversations.

In view of the delicate situation of the Middle East and the close connection between foreign oil questions and the general conduct of our foreign relations, it is extremely desirable that any conversation with the British on oil be under the clear supervision and guidance of the Department of State. Accordingly, it is proposed that the group to conduct the conversations for this Government be composed of two representatives of the Department of State, one of which will act as Chairman, and a third member to be designated by the Secretary of the Interior.

If the foregoing meets with your approval you may wish to advise me immediately, whereupon Secretary Ickes will be requested to designate the member of the group to represent him.

800.6363/1420

*Memorandum by the Adviser on Political Relations (Murray)*⁴⁷

[WASHINGTON,] December 14, 1943.

On the ground that this Government should by purchase directly participate in, if not actually control, petroleum companies holding reserves abroad in order to protect the oil concerned and thus assure supplies when needed for security reasons, the Petroleum Reserves Corporation has conducted negotiations through three stages with the California-Arabian Standard Oil Company, which holds great reserves in Saudi Arabia. First, the Corporation endeavored to take

⁴⁶ Returned to the Secretary of State by President Roosevelt with the marginal notation "O.K., F.D.R."

⁴⁷ Addressed to the Secretary of State and the Under Secretary of State (Stettinius).

over the entire holdings of the company in Saudi Arabia; next, the Corporation discussed the acquisition of majority stock control; and finally, the negotiations contemplated that the Government own one-third of the stock of Casoc, the present joint owners of that company, Standard Oil Company of California and the Texas Company each also to own one-third. These negotiations are suspended. The Minutes of the last meeting of the Directors of the Petroleum Reserves Corporation, which was held on November 3, state: "The Board was unanimously of the opinion that the interests of the people of the United States and its foreign oil industry required the participation of the United States Government or an agency thereof in the protection of American oil reserves. The Directors expressed deep regret that the Casoc representatives had been unable or unwilling to appreciate the urgency of and need for the assistance of this Government".

These same Minutes also state "The Board of Directors authorized the President to continue negotiations with the Gulf Oil Corporation, which owns or controls one-half of the stock of the corporation owning the concession in the Sheikdom of Kuwait". The Gulf Oil Company's partner in the Kuwait concession is the Anglo-Iranian Oil Company, the majority of which is owned by the British Government.

The over-all objective of any discussions with the British is development of Middle Eastern oil as a result of cooperation between the two Governments on oil in that area. The purpose of that oil development is to make supplies available for long-range peacetime needs as well as for security purposes. The joint cooperation of the two Governments in the development of the oil will result in benefits to the countries in which the oil is located. This will undoubtedly go far in itself to safeguard the concessions in the area since no country will precipitously endanger the source of its prosperity. Furthermore, the establishment of cooperation between the United States and British Governments with concurrent elimination of rivalry will be an added stabilizing influence on the concessions.

Thus, the conversations with the British are designed to accomplish on an international basis, among other things, the purposes which the Petroleum Reserves Corporation's negotiations with the oil companies were designed to further by unilateral action. However, the Petroleum Reserves Corporation's aims are only a part of the general objective of the conversations with the British.

Until we can discern clearly the outlines of the results of the conversations with the British, it is impossible to determine whether a unilateral course by this Government of the nature of that followed by the Petroleum Reserves Corporation in the matter of the negotiations for participation in the companies, would be in line with those

conversations. In fact, it is feared that such a course might actually prove to be inconsistent with or even in conflict with the results we may wish to attain in collaboration with the British. Moreover, the Petroleum Reserves Corporation's course leaves out of account larger issues, particularly and most relevantly the question of the character of the post-war security system which may be developed as a result of the Moscow agreements.⁴⁸

Accordingly, it is strongly recommended that the Petroleum Reserves Corporation be advised that the Department is of the opinion that no further negotiations be conducted at this time regarding Government participation in American companies holding reserves abroad. A draft letter to Secretary Ickes as President of the Petroleum Reserves Corporation so advising him is attached for your consideration.⁴⁹

WALLACE MURRAY

800.6363/1404

The Secretary of State to Admiral William D. Leahy

WASHINGTON, December 15, 1943.

MY DEAR ADMIRAL LEAHY: I refer to my letter of November 13, 1943 to Secretary Ickes setting forth the policy which this Department believes should be followed in regard to refinery facilities in the Persian Gulf area. Copies of this letter which have been sent to the Secretaries of War and Navy and to the Secretary of the Joint Chiefs of Staff undoubtedly have been brought to your attention.

However, I should like to restate for the information of the Joint Chiefs of Staff the essence of the policy embodied in that letter, which is, that to the fullest possible extent consistent with military requirements, determination as to any future new refinery facilities or expansion of such facilities in the Middle Eastern area should be based on whether such facilities (a) would be controlled by American interests, (b) would utilize American-held oil and thus assist the full development of that oil, and (c) would result in operation in direct benefit to the country in which the oil is produced.

From the long-range viewpoint of the protection of American interests abroad, which normally is the responsibility of the Department of State, it is believed that oil concessions held by American interests in the Middle Eastern area can be assured best to those American interests by the full development of the oil resources accompanied by

⁴⁸ For correspondence on the Moscow Conference of Foreign Ministers held October 18–November 1, 1943, see vol. 1, pp. 513 ff. On November 1, an Anglo-Soviet-American communiqué was released to the press; for text, see *ibid.*, p. 741.

⁴⁹ Not attached to file copy of this document. A letter to this effect was sent on January 5, 1944.

increasing benefits to the countries in which the resources lie. The inadequate development of American-owned oil concessions in the Middle East would endanger the continuance of those concessions in American hands. Thus for the direct protection of American interests in the Middle East it is believed that wherever possible and consistent with military requirements, refining facilities in that area should be so planned as to use oil produced by American companies in the Middle East and, where possible, should be located in the country of production as envisaged by (c) of the foregoing paragraph.

Accordingly, it is strongly hoped that the Department's expression of policy as outlined in the Department's letter of November 13, 1943, and as elaborated here, will be taken fully into account in reaching any future decision to construct facilities in the Middle Eastern area, such as the decision contemplated in the letter of November 18, 1943 from the Joint Chiefs of Staff to the Petroleum Administrator for War.

In general regard to this subject and with particular reference to the specific exclusion, in the above-mentioned letter of November 18, 1943 of Saudi Arabia from consideration as a possible location for the proposed facilities, the Department strongly believes that it might be most disadvantageous to our long-range position in the Middle Eastern area for any country where American interests are so vitally concerned to be thus excluded from consideration in a matter of this nature unless that action is clearly based on military necessity. Although the latter may be the case, the Department is not aware that that is so. As you know, the concessions in Saudi Arabia and Bahrein are owned wholly by American interests; the concession in Kuwait is owned 50% by American interests. American interests have a 23 $\frac{3}{4}$ % share in the concessions in Iraq, Qatar and Trucial Oman, but the Iraq Petroleum Company holding these concessions is British controlled.

On the other hand, as indicated in the Department's letter of November 13, 1943, concern is felt regarding the strong pressure for the construction of refinery facilities in Bombay. While the refinery would be owned by American interests, it would be located in a territory of a nation which competes with American interests in the field of international oil and which has in effect placed restrictions on the production and marketing of American-held oil, including the marketing in India of American produced oil. Also the location of the refinery would not be such that benefits from its operation would accrue to an area where American oil producing interests lie. Moreover, it is questionable that its operation would assist the development of American-controlled oil since the refinery would be free to draw upon foreign-controlled oil. Accordingly, it is seriously

doubted that the construction of the proposed refinery at Bombay would be in line with the above-mentioned policy objectives. In addition, it is understood that Bombay as a location has economic disadvantages.

It should be made clear that the Department is not objecting to the construction by American interests of a refinery at Bombay, but is of the opinion that since materials are not available for all facilities that might be desired, those best in accord with over-all American interests in the Middle Eastern area should be given priority to the maximum extent compatible with direct war needs.

Sincerely yours,

CORDELL HULL

800.6363/1416 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, January 3, 1944—9 p. m.

[Received January 3—8:04 p. m.]

33. While at the Foreign Office today, we had occasion to mention to Baxter, head of the Eastern Department, the note handed the British Ambassador at Washington on December 2 which is quoted in Department's 8262 of December 31.⁵⁰ Baxter said that the Foreign Office had not been able to consider this matter until it had determined whether and to what extent Middle East oil questions had been discussed by the President and the Prime Minister during their recent visit to the Middle East. The Foreign Office, Baxter continued, has now learned that these questions were not discussed at all by the President and the Prime Minister and the Foreign Office is therefore actively considering the Department's invitation to begin conversations on this subject. The Foreign Office has not as yet discussed the invitation with the petroleum experts of the British Government. It will do so shortly. The Foreign Office, according to Baxter, favors holding conversations but would rather prefer not to limit conversations to oil questions affecting only one particular geographical area.

WINANT

⁵⁰ Telegram No. 8262 not printed; it also stated: "Since his return to this city, the President has expressed full concurrence that the proposed conversations proceed. We are of the strong view that they should be held here as promptly as possible" (800.6363/1415a). President Roosevelt had returned from conferences with British Prime Minister Churchill and the heads of other governments which took place at Cairo and Tehran in November and December 1943; for correspondence on these conferences, see *Foreign Relations*, The Conferences at Cairo and Tehran, 1943.

SYRIA AND LEBANON

INTEREST OF THE UNITED STATES IN THE REESTABLISHMENT OF CONSTITUTIONAL GOVERNMENT IN SYRIA AND LEBANON

890D.00/931

*Memorandum by the Secretary of State of a Conversation With the
British Minister of State for the Middle East (Casey)*

[WASHINGTON,] January 5, 1943.

Former Minister Casey,¹ who for some months has been stationed in Cairo, called to pay his respects.

In the course of a general exchange of information in regard to affairs in Egypt and Africa, the Minister said that he had been obliged to exercise great restraint in conversations with General De Gaulle² about affairs in Syria and the Lebanon and that it was almost impossible for him to talk to De Gaulle in the circumstances. He said that the French have no idea whatever of giving up Syria or allowing Syria to have her independence. He added that the French were rebuffing the British at every turn.

The Minister had no sidelights on the Palestine situation.

C[ORDELL] H[ULL]

890D.00/947

*Memorandum of Conversation, by Mr. Foy D. Kohler of the Division
of Near Eastern Affairs*

[WASHINGTON,] January 8, 1943.

Participants: Mr. Richard G. Casey, British Minister of State.
Mr. Murray.³
Mr. Alling.⁴
Mr. Kohler.

During his call at the Department today, Mr. Casey spoke of the Syrian situation along the lines of the attached copy of the memorandum⁵ he prepared on this matter after his recent visit to the Levant

¹ Richard G. Casey, formerly Australian Minister to the United States.

² Gen. Charles de Gaulle, President of the French National Committee.

³ Wallace Murray, Adviser on Political Relations.

⁴ Paul H. Alling, Chief of the Division of Near Eastern Affairs.

⁵ Not printed.

States. He said that Britain's initial commitments to the Fighting French, in connection with turning over to them the administration of Syria and Lebanon, were unfortunately too broad. While the implementation of the independence of the Levant States could not, because of these commitments and because of war conditions, be undertaken along the whole front at the present time, he felt the British pledge of independence for these States given at the time of the invasion and British military interests made it imperative to secure promptly the specific reforms which he had proposed. He said London backed him up in this and that he intended to tackle these problems "hammer and tongs" upon his return to Cairo.

1. As regards "free elections" he said the Fighting French had agreed to this for the near future, probably to take place in March, and that he proposed to see that they lived up to their word.

2. As regards reform of the *Intérêts Communs* he explained that the Fighting French had held onto the collection and administration of the indirect taxes (customs, monopolies, et cetera). When the local governments had insisted these revenues should be turned over to them, Catroux⁶ had indicated he would do so if they worked out a plan, anticipating they would never agree on the distribution. To his surprise they promptly got together and presented a scheme providing for immediate distribution of forty percent of the total to each state, the balance of twenty percent remaining to be divided by arbitrators. Catroux had thereupon started stalling and was continuing to do so.

3. Mr. Casey said the *Gardes Mobiles* and French Special Service officers were . . . a menace to any orderly régime. He thought it urgent that the former be abolished and the latter shorn of the powers which make them local despots and altered simply to Intelligence officers.

4. Finally, as regards increased British participation in censorship and security matters, Mr. Casey said this was regarded as a necessity in view of British responsibility for the military defense of the area and of the unsatisfactory manner in which the French had handled it by themselves to date.

Mr. Casey said that while the last two projects were solely British responsibility, he very much hoped to have American support on the first three, and was sure that he could count on it in view of our sympathetic attitude toward the implementation of the independence of these States. Mr. Murray replied that he could, adding that he

⁶ Gen. Georges Catroux, Free French Delegate General and Plenipotentiary in Syria and Lebanon, and Commanding General, French Forces in the Levant.

would find Mr. Wadsworth⁷ both well-informed and cooperative. Mr. Casey said he knew this was so.

Mr. Murray raised the question of the British recognition of a "predominant and privileged" position for France in the Levant States. Mr. Casey quickly injected that the phrase "among European nations" had been added to the statement. Mr. Murray continued that he realized this, but that this Government's policy contemplated equality of opportunity for all rather than recognition of a special privileged position for any country, including the mandatory power, in any of the mandated States. In practice, he thought, our stand would lead to an equal position for all powers in the Levant States, since we would insist on equal rights with those which might be granted to France and other powers, including the British, would no doubt insist on equal treatment with us. Mr. Casey agreed with this view.

890D.01/671 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, January 25, 1943.

[Received January 25—6: 14 p. m.]

47. ZTN evening January 23, for publication yesterday's newspapers, French Delegation General issued following communiqué signed by Monsieur Helleu⁸ "For The French National Committee":

The French National Committee,

Resolved to reinforce the independence of Syria and Lebanon, an independence proclaimed in its name by General Catroux in 1941,⁹

And considering, after consultation with the British Government, that the evolution of the military situation in the country warrants reestablishment of the constitutional regime,

Has given mandate to the Delegate General and Plenipotentiary, Commander-in-Chief in the Levant, to take to this end all necessary dispositions, after consultation with the Governments of the Syrian and Lebanese Republics as well as with the principal local political personalities.

The expected early return of General Catroux to the Levant will thus mark a decisive step in the political life of Lebanon and Syria.

WADSWORTH

⁷ George Wadsworth, Diplomatic Agent and Consul General at Beirut and Damascus.

⁸ Jean Helleu, Acting Free French Delegate in Syria and Lebanon, in the absence of General Catroux.

⁹ For correspondence regarding this subject, see *Foreign Relations*, 1941, vol. III, pp. 785 ff.

890D.01/674 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*BEIRUT, January 29, 1943—9 p. m.
[Received January 30—9: 15 p. m.]51. Reference last paragraph my 48, January 26, 5 p. m.¹⁰

1. President Naccache¹¹ said he wished to talk frankly with me regarding the situation created by the Fighting French National Committee communiqué of January 23. It was humiliating to him personally and to the nation.

He had learned that General Catroux before going to London had said "Elections must be held as I wish and the person I select will be President. Naccache opposes my wishes. He is agreeable and disinterested but he will have to retire."

He was consequently seriously considering resigning before the General's return. Against this however was the argument that by so doing he would but serve French designs, while by waiting and if necessary resigning as a protest he might best further his country's aspirations for independence. He hoped that the United States, while not intervening directly in the internal affairs of the country, would make its great voice heard to defend the principle of independence and respect for a nation which had done nothing to merit such humiliation.

He believed it to be his right and duty to announce that elections would be held. Whatever the "preminent" rights of France, the projected interference was unjustified either by military necessity or the country's needs. It was clearly designed to assure election of a parliament and a president predisposed to approve a Franco-Lebanese treaty of alliance.

The French contention was that despite the declaration of independence the mandate survives and that they as the representatives of France properly exercise it. He held that *de facto* it ceased to exist as of the date of independence and that Fighting France should limit its role to watching over Lebanese administration of its own affairs without direct intervention in its constitutional problems.

The French argued that non-recognition by most foreign states justified in itself a continuing exercise of the mandatory power; to which he replied that one may not plead the acts of others as justification for avoiding the consequences of one's own act.

It really should, he concluded, be recognized that Free French policy seemed designed rather to maintain the prestige and overseas patrimony of France than to facilitate achievement of the country's independence.

WADSWORTH

¹⁰ Not printed.¹¹ Alfred Naccache, head of the Lebanese Government.

890D.00/943 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, March 5, 1943—8 p. m.

[Received March 6—4:39 p. m.]

100. Reference my 94, March 3, 8 p. m.¹² Gwynn¹³ who lunched with President Naccache yesterday and who called on him at his request today for a confidential talk brings me the following interesting report:

“Naccache wrote Catroux very recently protesting against his pursuing consultations in view of forthcoming elections quite independently of the Lebanese Government which is thus discredited in public opinion and against the agitation caused by these consultations.

Catroux replied that in spite of the proclamation of Lebanese independence the mandate remained in force and must continue to do so until France could account for her tutorship to those who had granted the mandate and be relieved of her responsibility. This he said was the point of view not only of the French National Committee but of all the powers that had agreed to the mandate. Catroux added that he personally had been given the authority and the responsibility of reorganizing constitutional life of Syria and Lebanon and he meant to do it.

Naccache has been consulting his Ministry as to the next step to take. He has in mind two things: (1) a letter of protest to Catroux against this dictatorial attitude, (2) his resignation together with that of his Ministry. He is inclined to protest and resign. His Ministers are opposed to resigning arguing that this would simply facilitate things for Catroux.

Naccache added he had good reason to believe that Fighting French and British came to an extensive understanding recently: the French to have exclusive control politically in Madagascar, North Africa and Levant; the British to retain a preponderant voice in military question. He thinks the British now have much less interest in elections here than formerly.”

WADSWORTH

890D.00/944 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, March 12, 1943—noon.

[Received 10:31 p. m.]

103. Reference my 94, March 3, 8 p. m.¹² Recapitulations follow of interesting conversations I had over the weekend with General Cat-

¹² Not printed.¹³ William M. Gwynn, Second Secretary at Beirut.

roux, the Syrian Prime Minister, and former Lebanese President Edde. Read together they throw considerable light on the confused political situation in these two Republics. The latter's views warrant I believe the Department's careful consideration.

1. With General Catroux after dining with me March 6.

His main objective was to reestablish constitutional regimes in the two states in accord so far as possible with their own constitutional procedures. He had been given full powers to that end by the French National Committee.

That the states wished to enjoy a larger measure of independence was obvious, but there was also a strong demand for protection as well, especially in Lebanon. A majority would welcome having France continue that role. There existed certainly a current of anti-French feeling, especially in Syria, but this was primarily a manifestation of xenophobic tendencies in extreme nationalist circles.

Reestablishment of constitutional regime might be attained in a number of ways: by recalling the former parliaments as urged by national bloc leaders, by permitting the present governments to hold elections or by forming new "neutral" governments for that purpose. New presidents might also be desirable; for in Syria there was strong nationalist demand for former president Attasi, and in Lebanon he was disappointed in President Naccache whose various protests were ill-considered because based on tales as to his intentions. Of those he had informed no one.

Were elections to be held, political rivalries between professional politicians would play a controlling role in the cities. In the country districts the same leading landed families which had elected their representatives to former parliaments would control results. Among the rank and file of the people questions of food supply predominated.

He was planning to return to North Africa within the fortnight and would announce his decision before leaving.

In the field of "Arab unity" he could envisage the possibility of federally reunited Syria, Lebanon, Palestine and Trans-Jordan. But he could not perceive justification for including Iraq whose historical background, geographical position and economic interests caused it to look rather towards the east. Nor of Egypt which racially and in its basic social trends was very much a foreign country.

In this connection he appreciated the disruptive influence of expansionist political Zionism. American Zionists would of course continue to campaign for a Jewish state but it was their reported extensive support in influential non-Jewish circles which most excited local apprehensions. While it was probably best that no official declaration of policy in the matter be made during the war, could not something be done to discourage university professors and others from publicly voicing pro-Zionist views?

2. The Syrian Prime Minister who called March 9 especially to talk politics.

Obviously influenced by a discussion he had just had with President Naccache he argued that for the French National Committee to arrogate to itself the power to decide how the constitutional regime should be established was to make a farce of his country's independence.

Syria had been occupied by force of arms by the British assisted by the Free French. In exercise of right of conquest the latter, with the former's consent, had proclaimed Syrian independence with limitations necessitated by conditions of war and had invited the late Sheikh Tajedine [el Hassani] to assume the powers of the Presidency and consolidate such independence.

The Sheikh had accepted and appointed a Ministry. With his death the latter had properly assumed the powers of the Presidency and were prepared to hold elections. It was for the new Parliament to elect a new President who would appoint a new Ministry. How else could even the fiction of independence be maintained?

To whom could his Ministry now resign? Who properly could appoint a new one? Had not both Britain and the United States recognized the present regime of limited independence? Without their consent, he concluded, Catroux had no right to modify it. And for the Free French to claim as they had increasingly done since General de Gaulle's visit last summer that their powers were those of mandatory France was to deny even that limited independence.

His Government was by conviction cooperating with the Allied war effort. It recognized willingly the war necessitated limitations on the exercise of its sovereignty. It was solving successfully the difficult problem of food supply. It had balanced the budget after one month in office. There was no valid reason to deny it the right to hold the elections.

Neither he nor a majority of his Ministers would stand for election and he was quite prepared to declare he would not accept election to the Presidency. Therefore, self-interest could not be charged.

The Syrian people were determined to gain their independence. Reestablishment of Parliamentary life was a necessary first step. But to follow any procedure to that end imposed by a pretendant mandatory authority would be tantamount to accepting a self-denying servitude.

3. Former President Edde who took tea alone with me March 10.

His aim and that of his party is a politically and economically independent Lebanon . . . as always throughout history a mount of potential refuge, retaining its communal social structure, its people

bound together by a strengthening nationalism, its laws, judiciary and administration modeled on best Occidental principles and practice.

Politically independent means no ties of federation or of confederation with the culturally backward, dominantly Moslem Hinterland, a Switzerland of the East protected in such independence by a strong friendly power or by international guarantees and giving in turn fullest guarantees to its own minorities and to foreign institutions and interests.

Economically independent means to be self-supporting through development of its tourism and summer and winter resorts, its irrigation possibilities, olives, fruits and vegetables and its water power and small industries, a Switzerland of the East in close trade relations with its neighbors but through commercial treaties rather than customs union.

Constitutional life must be reestablished as a first step, for only through Parliamentary action can progress be made towards broadening Government authority and evolving programs for determining Syrian Lebanese relationships and the country's future international status. If he is again called to office, either as the last Constitutional President or by election, he will accept though troubled at the increasing insistence of Free France on its mandatory responsibilities.

4. I should appreciate the Department's comment as to whether material of this kind is found of sufficiently timely interest to warrant the courage [*coverage*] I have been giving in my telegrams or whether its submission by despatch or airgram would be preferable.

WADSWORTH

S90D.01/690

*Memorandum by Mr. Foy D. Kohler of the Division of Near Eastern Affairs*¹⁵

[WASHINGTON, undated.]

We had an opportunity to discuss the situation in Syria and Lebanon with Mr. Casey, British Minister of State in the Middle East, during his recent visit to Washington, and found ourselves in agreement with his views regarding the desirability of the progressive

¹⁵ Forwarded to the Secretary of State; attached was a memorandum dated March 16 which read: "Syria and Lebanon. 1. How does the British Government reconcile its recognition of the independence of Syria and Lebanon with its commitment to De Gaulle recognizing a continuing 'preeminent and privileged position of France' in those States?" Mr. Kohler noted that "Above question put to Mr. Strang of the British Foreign Office by Mr. Wallace Murray." William Strang, Acting Assistant Under Secretary of State for Foreign Affairs, was in Washington as a member of the party accompanying British Foreign Secretary Anthony Eden on talks with the Secretary of State; for correspondence relating to the Eden visit, see vol. III, pp. 1 ff.

implementation of the proclaimed independence of these states by the establishment of elective governments and the transfer of real power thereto. We shared his disapproval of the Fighting French régime's obvious efforts to retain complete mandatory control in denial of its promises of independence to the local populations.

In view of our consistent policy regarding equality of opportunity, we are unable to agree with the British recognition of a "preeminent and privileged position for France among European powers" in Syria and Lebanon, given in the Lyttleton-De Gaulle agreement of July [August] 1941.¹⁶ We made this clear to Mr. Casey, who expressed his own regret that such a commitment had been made.

890D.00/945 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, March 17, 1943—8 p. m.
[Received March 18—4: 10 p. m.]

107. Your 77, March 16, 7 p. m.¹⁷ President Naccache writes me under date of March 15 that he has received a message from General Catroux the sense of which is: "Notwithstanding the proclamation of Lebanese independence of November 26, 1941¹⁸ the mandate remains in force". He adds that he has protested and continues: "President Roosevelt having recognized this same independence,¹⁹ I inform you of this protest". My colleagues have received similar letters.

The Lebanese Prime Minister asked me today to telegraph this information to my Government as of possible interest in connection with its current talks with Mr. Eden.²⁰ He confirmed specifically that General Catroux wishes the President and Ministry to resign. This, he said, neither the President nor he proposes to do, although all but one of his five Ministers are "wavering under pressure".

General Catroux tells me he has again postponed his departure for North Africa. The reasons, I gather from him and other sources, lie primarily in this local political crisis and in the unwillingness of Syrian leaders to commit themselves in advance of reassembly of

¹⁶ Exchange of letters of August 7, 1941, British Cmd. 6600, Syria No. 1 (1945), pp. 3-4.

¹⁷ Not printed.

¹⁸ See telegram No. 467, November 26, 1941, 1 p. m., from Beirut, *Foreign Relations*, 1941, vol. III, p. 805.

¹⁹ For correspondence regarding the limited recognition of Syria and Lebanon by the United States in 1942, by the appointment of a Diplomatic Agent, see *ibid.*, 1942, vol. IV, pp. 641 ff.

²⁰ For reference to Syria and Lebanon in talks between Secretary of State Hull and Mr. Eden, see the antepenultimate paragraph of memorandum of conversation, March 22, vol. III, p. 28.

Parliament to a Franco-Syrian treaty except as a provisional wartime measure.

This stand of both Lebanese and Syrian leadership against efforts to impose recognition of pretended French mandatory responsibilities and acceptance of definitive treaty relationship with France is receiving increasingly marked support in liberal political circles, including American University faculty and alumni groups. They would view the former as a retrogression from the limited independence their countries have achieved and the latter as a presently unwarranted imposition.

WADSWORTH

890D.00/946 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, March 19, 1943—11 p. m.

[Received March 20—2:37 p. m.]

109. My 107, March 17, 8 p. m. General Catroux had a letter put into Lebanese President Naccache's hands at 5 p. m. yesterday March 18 asking him to obtain the resignation of the Solh Ministry and to resign himself.

Two hours later Catroux had published by posting on Sérail ²¹ doors three decrees:

The first reestablishes the constitution as of the day when a Chamber of Deputies to be elected within 3 months shall have elected a President. The constitution may be modified once reestablished.

The second stipulates that until a President is elected the executive power will be exercised by a Chief of State—Chief of Government (to be appointed by Catroux) who will be aided by two Ministers of State appointed by himself. He must convoke electoral colleges within 3 months.

The third designates Doctor Ayoub Tabet to the office of Chief of State.

At 8 p. m. same day Catroux addressed the Lebanese people over Radio Levant, stating notably:

"This series of measures emanates from a fundamental intention to solve impartially and democratically the problem of the resumption of constitutional life in conformity with the ideals of France, the principles of the United Nations and the wishes of the population [apparent omission] your public liberties are restored. You will exercise them without constraint during the electoral period."

²¹ The Grand Sérail was the building occupied by the French Administration; the Petit Sérail was used by the Lebanese head of government.

During the evening four of the six Lebanese Ministers received letters from Catroux stating that their mission had terminated. The Prime Minister and one of his colleagues, both known to be recalcitrant to French wishes, were ignored.

These decrees were published, speech made and letters delivered before President and Ministers had time to be liberated [*to deliberate?*], let alone reply. Prime Minister in conversation this afternoon informed me President and he will not resign but will protest. They had received popular ovation at Beirut's principal mosque at Prophet's birthday celebration yesterday morning.

Naccaché and Ministers remained away from their offices today. Doctor Tabet took possession of President's office and appointed as the two Ministers of State Jasac [*Jawad*] Bulos . . . and Emir Khaled Chehab (Sunnite of good family, member of chief opposition party in last Parliament).

Doctor Tabet himself is a man of high character and attainments, religiously a free thinker, a strong Lebanese patriot, moderate Arab unionist and admirer of America where he studied and practiced medicine and preached Arab independence before and during the last war. He was Secretary of State in 1936 when the Franco-Lebanese Treaty of Alliance was signed and is known to have felt for many years that the country's destiny should be linked with France.

In conversation with him last week American University President Dodge and I were struck by his strictly confidential comment that he had come to believe today rather in a smaller predominantly Christian Lebanon; independent of but in close economic relations with the Moslem hinterland and enjoying international rather than exclusively French guarantees and protection.

British Minister Spears spoke over radio at 8 p. m. tonight expressing full approval of action taken. To Lebanon, he said, General Catroux, with courage and insight is giving "the means to secure a place in the great brotherhood of free nations." Catroux left this afternoon for Damascus. There have been no disturbances but I am reliably informed feeling runs high in Nationalist circles (see last paragraph my 107).

WADSWORTH

890D.00/948 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, March 23, 1943—11 p. m.

[Received March 24—8:05 a. m.]

115. My 107, March 17, 8 p. m., and 109, March 19, 10 [11] p. m.
There is, I believe, some ground for apprehensions lest the events and

action reported in my No. 109 have more than passing repercussions in this and neighboring Arab countries with possibly deleterious effect on their attitude towards the Allied war effort.

We have based policy on the Atlantic Charter²² and talked of the four freedoms;²³ while Arab leaders here continued to nurse four fears—of French imperialism, British insincerity, American isolationism, and Zionist expansionism.

Widespread conviction that we support the latter has already undermined our influence in these countries; and disillusionment as to our political influence with our allies might well be a result of our accepting without some qualification the *fait accompli* in this country.

To comments in the latter sense I have answered that there can be no question of our watering our principles and that the policy enunciated in my letters of credence and presentation remarks are as true today as ever. It may be that the Department will wish me to add that I make such affirmation with its specific approval.

The first two of their four fears, Lebanese intellectuals and leaders nevertheless contend, have now been justified. They argue that General Catroux has in fact by *coup d'état* tactics reestablished the mandate and is demanding treaty of alliance with France as a *sine qua non* to its termination; also that General Spears' speech shows that the British Government has again been jockeyed into yielding to De Gaullist importunities despite its recognition of Lebanese independence notably in his own letter of credence and in King George's message of December 27, 1941, to President Naccache.

The latter sent me this afternoon a copy of a projected letter of protest and refusal to resign "except to an authority validly constituted having its source in the National Will", the drafting of which he had completed on the afternoon of March 19 in agreement with the Prime Minister.

That evening, his confidential messenger explained, he had listened to Spears' radio address; his morale had collapsed. What was the use of further fighting? He had not answered Catroux's letter; neither had he resigned or lodged formal protest; but he still considered himself the legitimate Chief of State.

I received this afternoon also a circular note informing me of the constitution of the new Lebanese Government signed by Jawad Boulos, Minister of Foreign Affairs. Dr. Tabet will hold the Portfolios of Interior, Justice and Supply, the others being divided between Boulos and Chehab.

²² Joint Declaration by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations*, 1941, vol. I, p. 367.

²³ Enunciated by President Roosevelt in his State of the Union Message, January 6, 1941, *Congressional Record*, vol. 87, pt. 1, pp. 44, 46.

I am somewhat perplexed as to what my attitude and action should be and would appreciate receiving the Department's instructions. Pending their receipt I shall deal with current matters on a *de facto* basis.

My letter of credence was to President Naccache. Catroux's action was perhaps unnecessarily arbitrary and based on an authority which our Government may find it difficult to recognize Fighting France to possess. But the British Government apparently has no qualms on this score; and, insofar as concerns prosecution of the war, I understand our policy to include a recognition of British primary responsibility in this theatre of operations.

The authority Catroux invoked in the preamble to his pertinent decree was notably his proclamation of November 26, 1941, "recognizing the independence of Lebanon and defining in its spirit and its forms the collaboration to be instituted between France and Lebanon pending the conclusion of a Franco-Lebanese Treaty of Alliance and Friendship which will definitely establish the independence of the country" and "the decision taken by the Fighting French National Committee on January 24, 1943" (see my telegram 47, January 25).

I have not yet called on the new Government but feel I should do so very promptly unless the Department instructs me to the contrary. Failure to do so would render my position extremely awkward especially vis-à-vis the French authorities.

In Damascus the situation has been complicated by serious bread rioting which began March 20 and announcement of Catroux's contemplated decrees, similar to those issued in Beirut, has been postponed.

WADSWORTH

890D.00/951 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, March 25, 1943—10 p. m.

[Received March 26—1:30 p. m.]

119. Reference last paragraph my 116, March 24, 9 p. m.²⁴ Three decrees closely similar to those issued in Beirut, March 18 (see my 109, March 19, 10 [11] p. m.) were issued by General Catroux in Damascus today. The Syrian Constitution of May 14, 1930, is re-established as of the day a newly elected Chamber of Deputies elects a President of the Republic. A provisional government under Ata Bey el Ayoubi

²⁴ Not printed.

as "Chief of State, Chief of Government" is established. It is to proceed within 3 months to the holding of elections, meanwhile exercising the executive and legislative powers.

The cited authority for these decrees is, with appropriate variations, the same as that on which the Lebanese decrees were based, i.e., primarily Catroux's declaration of September 27, 1941,²⁵ proclaiming the independence of Syria and the French National Committee's decision of January 24, 1943, authorizing him to take all necessary measures to reestablish constitutional regimes in Syria and Lebanon.

Ayoubi, himself a respected statesman, former Premier and Syrian patriot, has appointed as his collaborating Ministers of State three moderate Nationalists not members of the National bloc: Faydia Tasi of Homs, Naiman Taki of Aleppo and Mustaf Ashehabi member of the outgoing government.

I issued invitations over a week ago to all leading Damascus notables, including Ayoubi, to a reception to be held March 31 to mark the formal opening of our Legation there; and unless the Department perceives reason to the contrary I shall arrange to call on him March 3 [30th], the transfer of power to his government having taken place without popular or official protest or untoward incident.

WADSWORTH

890D.00/949 : Telegram

The Secretary of State to the Diplomatic Agent and Consul General at Beirut (Wadsworth)

WASHINGTON, March 29, 1943—8 p. m.

103. Your 115, March 23, 11 p. m., 116, March 24, 9 p. m., and 119, March 25, 10 p. m.²⁶ The legal bases of Fighting French authority in Syria and Lebanon are of dubious validity but we have in practice admitted their *de facto* control. While General Catroux's procedure in naming new provisional governments seems high-handed, the resulting change in each State appears to be essentially only a replacement of one French-appointed régime for another, with the new governments specifically charged with the responsibility of holding elections preparatory to a reestablishment of constitutional government. This purpose in itself seems desirable from our point of view, and we have no concrete evidence that the procedure which has been adopted will deny to the Syrian and Lebanese peoples an opportunity freely to express their will.

²⁵ See telegram No. 381, September 28, 1941, 10 p. m., from Beirut, *Foreign Relations*, 1941, vol. III, p. 786.

²⁶ Telegram No. 116 not printed.

We accordingly see no reason why you should not enter into relations with the new régimes on the same basis as with their predecessors, in conformity with the specific policy toward Syria and Lebanon expressed in the Department's press release of November 27 [29], 1941,²⁷ and in your own letters of credence.

HULL

890D.00/952 : Telegram

The Diplomatic Agent and Consul General at Beirut (Wadsworth) to the Secretary of State

BEIRUT, April 2, 1943—3 p. m.

[Received 5:36 p. m.]

134. Your 103, March 29, 8 p. m. On March 31 I went to Damascus where by appointment I called on new Foreign Minister Antakipah.²⁸ He stressed the provisional character of the present regime. Its two primary tasks would be to hold free parliamentary elections and to assure food supplies, notably bread, to the cities.

It would he said exercise the legislative power only if the conduct of pressing current matters so required. To all decrees there would be added a specific proviso that they would have effect only until such time as they might be confirmed, modified or rejected by the new parliament.

Syria's political maturity he argued had been recognized in 1936, its independence in 1941. There was general acceptance in all political circles that the present transitional regime was a necessary prelude to constitutionality and fullest possible exercise of sovereignty consistent with allied "necessities of war".

Syria would welcome closest cooperation with the United Nations but felt itself free to accept or reject special treaty relations with France. A point to be emphasized he concluded was that the same parliament which ratified the 1936 treaty²⁹ had in 1938, following French failure to ratify, declared itself no longer bound thereby.

My only important contribution to the conversation was a statement in the sense of the last paragraph of the Department's telegram under reference, which he welcomed.

He then conducted me to the new Chief of State to whom I repeated my remarks. Ata Bey requested me to inform you that he "took note

²⁷ *Foreign Relations*, 1941, vol. III, p. 807.

²⁸ Naim Antaki.

²⁹ Franco-Syrian Treaty of Friendship and Alliance, signed at Damascus, December 22, 1936, but never ratified by France; for text, see France, Ministère des Affaires Etrangères, *Rapport à la Société des Nations sur la situation de la Syrie et du Liban (année 1936)*, p. 201.

full satisfaction" of this reaffirmation of American policy, adding an expression of confidence in United Nations victory and desire to contribute thereto in fullest possible measure.

Ata Bey and his three Ministers later attended my official reception as did the outgoing and three former Premiers. I was favorably impressed by an obvious general desire to provide against recurrence of bread rioting and get on with the holding of elections. The acid test however will be as to whether they are free or French manipulated. If the latter there is ground for serious apprehension least [*lest*] serious political rioting ensue.

This morning I called by appointment on new Lebanese Foreign Minister Boulos who will arrange my call on the Chief of State. He spoke in very much the same terms as the Syrian Minister of his Government "provisional and custodial responsibility".

He too welcomed the Department's reaffirmation of American policy and reciprocated by reaffirming Lebanese adherence to the United Nations cause "through whose victory Lebanon should realize its aspirations".

WADSWORTH

890D.00/953 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, April 6, 1943—noon.

[Received 2:23 p. m.]

140. Reference my 134 April 2, 3 p. m. New Chief of State Tabet received me April 3.

When I repeated to him the substance of the last paragraph of your No. 103, March 29, 8 p. m., he asked me to assure you that the reaffirmation of American sympathy with Lebanese aspirations for fuller independence was to him personally the surest foundation for confidence that they would in due time be realized. He wishes to issue a statement to this effect (believing it would strengthen public confidence) and inquires whether the Department would care to suggest a text.

He conceived as his first duty a thorough housecleaning of government administrations where slackness and graft had been all too common for many years. In particular he must get responsible men into all positions of authority in matters electoral. Consequently he proposed to defer elections to the latest date authorized under the Catroux decrees, i.e., early September.

For the post-war future he wants close economic but no political ties with Syria or with an Arab federation; no cession of territory, thus retaining room for settlement of other eastern Christians and of Lebanese returning from abroad; and protection guaranteed by the great powers against political pan-Arabism which to him means pan-Islamism.

WADSWORTH

890D.00/952 : Telegram

The Secretary of State to the Diplomatic Agent and Consul General at Beirut (Wadsworth)

WASHINGTON, April 10, 1943—7 p. m.

115. Your 140, April 6, noon. The Department is not in a position to suggest the text of a statement to be issued by the Lebanese Chief of State. However, it would of course have no objection to the issuance by him of a statement regarding your reaffirmation of this Government's policy, which has been clearly set forth and remains unchanged.

HULL

890D.01/711

Memorandum of Conversation, by the Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] May 14, 1943.

Mr. Wright³⁰ said that he would like to explore with me certain questions relating to Syria and the Lebanon. He recalled that a few weeks ago when Mr. Strang was here, Mr. Murray had discussed certain Syrian and Lebanese questions. However, the Foreign Office was not quite clear as to the nature of our complaints and would appreciate an elucidation.

I told Mr. Wright that I thought the problem could be summed up under three headings:

(1) In the exchange of letters between Lord Lyttelton and General Catroux over a year ago the British had agreed to recognize the "pre-eminent and privileged position of the French in Syria and the Lebanon." I said that so far as we were concerned, that was merely a bilateral agreement between France and Great Britain and we considered that it in no way affected our rights in those territories. Mr. Wright agreed and pointed out that in any case the exchange of letters

³⁰ Michael Wright, First Secretary of the British Embassy.

had stipulated that France was to enjoy a preeminent and privileged position only as regards European powers.

(2) I said that we still considered that the rights which we had acquired under our convention of 1923 [1924] with France³¹ in regard to Syria and the Lebanon still remained in effect. I added that a year or more ago the local authorities had endeavored to override an exchange of notes with the French which was subsidiary to that convention, but that the matter had finally been straightened out to our satisfaction. In any case, this effort on the part of the local authorities to invade our rights had indicated to us the necessity of pointing out that those rights still existed.

(3) On the question of the recognition of Syrian and Lebanese independence, I explained that we felt that we could not recognize something which did not exist. It was obvious, for example, that the Syrian and Lebanese Governments were not independent and that many of the functions and attributes of government were actually exercised by the French authorities. I said that we realized of course, during the war and the military occupation of the territories, there would necessarily be some elements of government which would have to be controlled to a certain extent by the military authorities. I pointed out, however, that many of the civilian activities of the local governments were actually exercised by the French and that the latter showed no disposition to turn over those functions to the Syrian and Lebanese authorities.

Mr. Wright expressed his appreciation for the foregoing information and went on to say that as soon as elections were held in Syria his people hoped that we would be in a position to extend full recognition to the Syrian and Lebanese Governments. Later he stated that this hope was being expressed on the specific instructions of the Foreign Office. He went on to say that the Middle East, including Syria, would be an important land bridge in the eventual military operations in the Far East; that it was essential to strengthen the Allied position in that area, and the Foreign Office felt that this end would be attained by the American Government extending full recognition to the two local governments. I told Mr. Wright that obviously I could not answer his question offhand; that it would need discussion within the Department before anything definite could be said. I told him that in my own personal view, the question whether we could extend full recognition to the Syrian and Lebanese Governments after the forthcoming elections would depend to a considerable extent upon the manner in which those elections were held, and also whether a considerable degree of independence, bearing in mind wartime limitations, was actually given to the two governments. In this connection I pointed out that there were many governmental functions now being exercised

³¹ Convention between the United States and France, defining American rights in Syria and the Lebanon, signed at Paris, April 4, 1924; for text, see *Foreign Relations*, 1924, vol. I, p. 741.

by the French which could presumably be carried on by the local authorities. I also said that if the elections merely meant a continuation of the present system, I could not see that there would be any sound basis for recognition on our part of the complete sovereignty of the two States.

Mr. Wright said that if we desired he would be glad to give us an *aide-mémoire* setting forth the British point of view. I said I thought this would be desirable but suggested that he wait a few days until there had been an opportunity to discuss the matter within the Department.

890E.00/135 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, May 24, 1943—6 p. m.
[Received May 24—1 : 03 p. m.]

188. In recent conversations with Lebanese and Syrian Chiefs of State, Foreign Ministers and others I have gained increasingly the impression that French authorities are exerting continuing pressure on both Governments to postpone elections, meanwhile endeavoring to assure electoral support of pro-French parliamentary candidates.

In each of the five Lebanese electoral districts rival lists of candidates are gradually taking shape and it is common parlance to speak of one as the government (i.e. French) list. In Syria direct French pressure is generally said to be primarily in country districts.

Dr. Tabet who obviously believes continuance in office enhances his already good chances of election to Lebanese presidency, falls readily into his French made role. Dodge³² still considers him honest Lebanese patriot and best available presidential timber. Spears however admits himself be fooled and loses no opportunity to protest strongly against further delay.

Ayoubi, besides being by nature procrastinating, is reported by highly reliable source to have been encouraged by General Catroux, with promise of his support for election to Syrian presidency, to postpone elections until after his return from North Africa. On this score also Spears is concerned and is going to Damascus this week similarly to protest further delay. He places little faith in an assurance given me last week by Collet³³ that lists of first degree electors would be posted and date of elections announced by June 1.

³² Bayard Dodge, President of the American University at Beirut.

³³ An official in the French administration.

Syrian Foreign Minister, an independent nationalist, told me frankly he is only member of either government pressing for early elections. He deprecates particularly the morally undermining effect of French patronage and French-engineered intrigue among political leaders. The result he says is that many have come to view French support as a prerequisite to electoral success and to fear that without it the end of their campaigning would be rather a concentration camp for political undesirables than a seat in Parliament.

I have talked with Spears along the foregoing lines. He voiced general accord although commenting that Helleu seemed personally to believe in and to be furthering policy of free elections. An explanation of the situation might lie in the fact that opposing views were heard by many of his subordinates including Collet who were acting accordingly independently. He concluded substantially as follows: "I advised Casey in Cairo 2 weeks ago that whatever the outcome of the current de Gaulle-Giraud negotiations for French unity we might expect more trouble in Lebanon and Syria; for if unity should result the French would probably wish to take over fuller military and naval responsibilities here; and if not de Gaulle would again concentrate more attention on these countries".

Rigid press censorship continues, in which connection Spears wrote me last week "It goes far beyond the requirements of security and is used to further French policy". Office of War Information outpost director Britt who is in close touch with local editors concurs.

WADSWORTH

890E.00/136 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, May 25, 1943—7 p. m.

[Received May 26—6 p. m.]

192. Reference last paragraph my 188, May 24, 6 p. m. Regarding censorship Spears makes special point that "it is used to a great extent to prevent the people here from realizing the true position in North Africa." Again Britt strongly concurs. The most recent instance was a cut of the reference to General Giraud ³⁴ in Churchill's May 19 address to Congress.³⁵

³⁴ Gen. Henri Giraud, High Commissioner of French North Africa, following the death of Admiral Darlan in December 1942.

³⁵ For text of speech by British Prime Minister Winston S. Churchill to the United States Congress, see *Congressional Record*, vol. 89, pt. 4, p. 4619.

Other striking examples of general censorship control were suppression of Eden's March 3 statement encouraging Arab unity (later rectified at British Legation insistence) and of references to Arab aspirations for independence in French-solicited broadcasts by the Lebanese mufti and kadi acclaiming Allied victory in Tunisia.

Spears argues: "This state of affairs is so flagrantly contrary to the democratic idea which your country and mine stand for that I think the least we should do is to make it clear that we are fully aware of what goes on and gravely disapprove". To this end he suggests we call "jointly but quite unofficially" on Acting Delegate General Helleu.

I have replied orally that, while I recognize a strong dog-in-the-manger motif in French policy here, I should not wish to join him in such representations except at your specific instruction, if only because I feel that, from the hypersensitive viewpoint of a French administration only too cognizant of its national defect and present weakness, our *démarche* would be misconstrued as a move designed to undermine the jealously guarded remnant of its largely shattered former prestige. I added that I felt the Department, in the light of the current De Gaulle-Giraud negotiations for French unity, might consider any such *démarche* ill-timed.

It may be, however, that the Department would approve my calling on Helleu to inform him of the substance of that part of Murray's letter of April 30³⁶ which stresses our interest in seeing constitutional regimes set up through free elections as a first step towards fuller exercise of independence. In that connection I could add without giving undue offense that substantial relaxation of censorship as from now would seem to be an essential element of free electoral expression.

I could too, should you approve, touch on the larger issue by mentioning the specific instances of censorship reported above as well as two recent incidents involving American interests. These were: (1) A decision of the French Political Section to disapprove subscription by its Press Bureau to a United Press news service on the ground that "the Fighting French wanted to assure that Havas³⁷ would not have its territory encroached upon during the war [?]; (2) a seemingly clear instance (now under investigation) of the French mail censors opening by steaming and resealing a letter written [to] the Legation by the head of the American Mission at Latakia.

WADSWORTH

³⁶ Not printed.

³⁷ French news agency.

890E.00/137 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, June 7, 1943—6 p. m.
[Received June 8—11 : 34 a. m.]

204. Reference my 188, May 24, 6 p. m. During weekend visit to Damascus I gathered clear impression that, with achievement of French unity in North Africa,³⁸ local French pressure to postpone Syrian elections has been lifted.

Foreign Minister assured me lists of electors had been completed and published in all but two districts. He now believes the necessary decree calling for first degree elections can be issued before June 25, i. e., before expiration of the 3 months' delay prescribed in the Catroux decrees of March 25 (see my telegram 119 of that date).

Foreign Minister and others give me to understand that Nationalist bloc leaders have gradually been brought, largely through General Collet's shrewd manipulation, into the orbit of French influence. They appear to feel that only by playing politics with him can they gain parliamentary majority.

A plausible explanation is that these leaders are less loath to follow this line because, while recognizing that French influence here today is obviously strongest internal political force, France as they see it will come out of the war the weakest of the Allied Powers and consequently be the most amenable to eventual pressure tactics designed to achieve full independence.

In Lebanon, where Chief of State Tabet was clearly playing for additional 3 months' election delay, situation has been clarified by Spears' intervention. Apparently he induced British Foreign Office to bring pressure on French National Committee which some ten days ago had Catroux instruct Helleu to support Spears' contention that elections should be held simultaneously in Lebanon and Syria.

Dr. Tabet informed me June 5th that while he still believed delay was desirable to permit realization of certain internal reforms, he had yielded to Catroux's wishes. While boasting his personal independence and patriotism he impressed me strongly as having come increasingly under French influence. He was bitterly outspoken against Lebanese political union or federation with Syria or participation in any larger post-war Arab federation or confederation.

WADSWORTH

³⁸ For correspondence regarding the formation of the French Committee of National Liberation, see vol. II, pp. 23 ff.

890E.00/136 : Telegram

The Secretary of State to the Diplomatic Agent and Consul General at Beirut (Wadsworth)

WASHINGTON, June 7, 1943—8 p. m.

161. Your 192, May 25, 7 p. m. You should seek an appropriate occasion to inform Helleu of this Government's interest in the coming elections in Syria and Lebanon on the lines suggested in the penultimate paragraph of your telegram under reference and draw his attention to the two incidents involving American interests mentioned in the final paragraph thereof.

The Department is of the opinion that no useful purpose would be served by mentioning specific past instances of partisan censorship in Syria and Lebanon. You may, however, point out that there was constantly increasing relaxation of the censorship in North Africa as respects the Fighting French following the Allied landings in North Africa; and that this Government hopes that French authorities everywhere will henceforth suppress all factional tendencies, whether in connection with the censorship or other activities, in a sincere effort to make French unity effective at the earliest possible date.

HULL

890E.00/138 : Telegram

The Diplomatic Agent and Consul General at Beirut (Wadsworth) to the Secretary of State

BEIRUT, June 11, 1943—4 p. m.
[Received June 12—4: 58 p. m.]

207. Department's 161, June 7, 8 p. m. I have had occasion to talk informally with Helleu of the Department's interest in free elections and relaxed press censorship and of its hope that after elections a program will be adopted for progressive transfer to the Lebanese and Syrian Governments of powers the retention of which in Allied hands is not deemed "necessitated by conditions of war".

He assured me that plans for holding elections are now proceeding smoothly and that he intends when final decrees calling them are issued, to assemble his provincial delegates and political officers and impress on them that every opportunity should be afforded the electorate freely to express itself. This he added would include reasonably free press discussion.

I arranged to call on him next week when I shall complete compliance with the instructions under reference.

[Here follows lengthy report of continued conversation, largely conjectural in nature.]

WADSWORTH

890E.00/140 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, June 24, 1943—2 p. m.

[Received 3:20 p. m.]

213. Reference my 209, June 16, 4 p. m.³⁹ Following from Farrell.⁴⁰

Decrees issued June 21 set Syrian first degree elections for July 10, second degree for July 26, to elect Parliament of 122 deputies, this figure composed of 16 for Damascus, 14 for Aleppo, 6 for Homs, 5 for Hama, 4 for Soueida, 3 or less for each of other circumscriptions. Communities are represented as follows: Sunni Moslem 79, other Moslem sects including Druzes 16, Nomad tribes 10, Christian 16, Jew 1.

Neither candidates for deputy nor any political programs have yet been announced.

WADSWORTH

890E.00/141 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, June 24, 1943—5 p. m.

[Received June 25—4:40 p. m.]

214. Reference my 204, June 7, 6 p. m. A serious politico-religious electoral crisis has developed in this country during the last week. It was precipitated by the promulgation last Thursday June 17 of two Lebanese Government decrees prescribing the number and sectarian affiliation of the deputies to be chosen. Simultaneously the Government announced that a decree fixing the date for elections would be published June 22.

In the last (1936) elections the total number of deputies was 42, made up of 22 Christians, 13 Maronites and 9 of other sects, and 20 Moslems (9 Sunnites, 8 Shias and 3 Druzes). The new decrees establish 12 additional seats, 10 Christian (5 Maronite and 5 others) and 2 Moslem, on the basis of increase in registered population (1,243,000) which included for the first time 160,000 emigrants recorded as having opted for Lebanese citizenship under the treaty of Lausanne.⁴¹ The latter are not to vote, but their numbers are added to the registered population of the districts (chiefly Maronite Mount Lebanon) from which they emigrated.

³⁹ Not printed.

⁴⁰ William S. Farrell, Second Secretary and Consul at Damascus.

⁴¹ Signed at Lausanne, July 24, 1923; for text, see League of Nations Treaty Series, vol. xxviii, p. 11.

It is axiomatic that no such decrees could have been issued without French approval. Prompting such approval, it seems clear, was a desire to see strengthened parliamentary representation of the one important sect (Maronite) whose religious leaders' political creed is a Christian controlled Lebanon independent of the Moslem hinterland and protected by Catholic France.

Spears told me he was not consulted and would recommend strong protest by his Government. Under earlier received instructions he left for Cairo June 22 to join Casey and accompany him to London for general discussion of Franco-British relations.

Local Moslem leaders are bitterly hostile to the new decrees. They first learned of them Friday morning; at noon prayers there was considerable ferment in the Mosques. Saturday a representative group of 60 met with the Mufti, and a protest was prepared for presentation to the Lebanese Government and French Delegate General.

Briefly summarized this protest (which is addressed also to the British, American, Egyptian, Iraqi and other United Nations representatives in Beirut) demands rescinding of the decrees and the holding of elections on the basis of a new census conducted "under the supervision of a trusted neutral committee" or alternatively on the old basis. In default of either, the protest pledges Moslem boycott of elections.

Helleu, I am reliably informed, endeavored to dissuade them from protesting to other governments, offering his good offices to arrange the matter. This was but more fuel to fire, and invitations were issued to provincial Moslem leaders to attend a further protest meeting.

This meeting was held on Monday, followed by a larger gathering at the Young Men's Moslem Association. Attendance was fully representative, the first occasion I am assured since the last war on which all Moslem groups have truly combined to defend their common interests. The Mufti presiding, Saturday's protest was reaffirmed. Ablest Beirut leader Riad Solhkey [*Solh?*] noted "Lebanon is Arab and must find its strength in union with the Arab world." It was argued that, if Maronite Mount Lebanon truly preferred French protection to Arab federation, the remaining districts with their Moslem majorities should rejoin Syria.

Tuesday I dined with Solh and other Moslem leaders at the Iraqi Consulate General. They propose full exposition of their case to Nuri Said ⁴² (who will visit Damascus and Beirut next week en route to Cairo to discuss Arab unity plans with Nahas ⁴³) and will solicit Arab world support. With others who called on me yesterday they

⁴² Nuri as-Said, Prime Minister and Acting Minister of Defense of Iraq.

⁴³ Mustapha Nahas Pasha, Egyptian Minister for Foreign Affairs.

urge Anglo-American intervention. All bitterly attack French policy in general and characterize the decrees as the last straw in country-wide pre-election intrigues designed to return a French controlled parliament which would accept the 1936 treaty as the irrevocable basis of Franco-Lebanese relations.

In the local Greek orthodox community (influential by wealth and position rather than number which as [*is?*] only one-third the Maronites resident 318,000) there is considerable sympathy with the Moslem view. In Syria also, where a decree was issued June 21 calling elections for July 10 and 26, a growing sympathetic indignation is reported.

Finally it is of interest to note that, while no textual publication or editorial discussion of the Moslem protest has been permitted, the Lebanese decree promised for June 22 fixing the date of elections has not been issued. One cannot but speculate as to whether the French have not achieved a heads I win tails you lose position. For if the June 17 decrees are enforced their candidates should win the elections; and if not they will have gained at least another postponement thereof.

WADSWORTH

890E.00/144 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, June 28, 1943—6 p. m.
[Received June 29—11 : 50 a. m.]

217. Reference my 214, June 24, 5 p. m. On June 24 Helleu had the Mufti and other Moslem leaders to lunch with his own chief political advisers. Arab sources reported that after the guests had maintained their protest Helleu undertook that no decisive action inimical to Moslem interests would be taken without further consultation with them.

Nevertheless, a Lebanese decree was issued the following evening fixing the date of elections for September 26 and 27. This is the latest date possible under Catroux's decree No. 147 of March 25 (see annex No. 8 to despatch No. 76 of April 2).⁴⁴

Dr. Tabet, I gather, had meanwhile given the Mufti adequate assurances that Moslem interests would be safeguarded; and this appears to have been done in a Lebanese Government communiqué published yesterday.

⁴⁴ Not printed.

After announcing that "the Government has decided to hold a general census before election", this communiqué states that specialists are studying modalities, that within a fortnight the census date will be announced and that a commission of high state officials will control its operation.

WADSWORTH

890E.01/194 : Telegram

The First Secretary of the British Embassy (Wright) to the Chief of the Division of Near Eastern Affairs (Alling)

Ref. 563/16/43

WASHINGTON, June 28, 1943.

DEAR MR. ALLING: We recently talked over the question of the recognition of the independence of the Levant States, and you asked me to give you something in writing.⁴⁵

I need not rehearse the past history of this question, which is familiar to us both. The aspect of it which we particularly discussed was the question of early recognition by the United States Government. The view which I put to you, on the instructions of the Foreign Office, was that if the United States Government felt able to accord early recognition, this would be in accordance with our common policy of increasing the independent status of Syria and Lebanon so far as this can be done in war time and within a vital war area, would have a most favourable effect not only in Syria and the Lebanon, but in the surrounding Arab states, and would help to counter enemy propaganda which is trying to play off the Allies against each other in the Middle East and thus weaken security and tranquility there. Any anxiety on the score of treaty rights might be met either by a specific reservation or by obtaining a special assurance from the Syrian and Lebanese Governments.

You informed me that the United States Government are bearing in mind the possibility of recognition of Syria and the Lebanon, and that when the forthcoming elections in the two states have taken place, and constitutional governments have been formed, might consider that the time had come to accord it. I need not say how much I should appreciate any further information you could give me on a matter which is of such importance to the common policy we are pursuing in the Middle East.

Yours sincerely

MICHAEL WRIGHT

⁴⁵ See memorandum of conversation, May 14, p. 969.

890E.00/151 : Telegram

The Diplomatic Agent and Consul General at Beirut (Wadsworth) to the Secretary of State

BEIRUT, July 21, 1943—7 p. m.

[Received 6:11 p. m.]

234. Reference my 229, July 16, 6 p. m.⁴⁶ This morning Helleu issued two decrees.

The first regulates until election of a President "the organization and functioning" of the executive and legislative powers in Lebanon.

The executive power is to be exercised by a Chief of State appointed by the Delegate General. The Chief of State is to be assisted by a Secretary of State and an Assistant Secretary of State appointed by and responsible to him.

The legislative power [apparent omission] the issuance of decrees having the force of law "under the reservations formulated in the proclamation of Lebanese independence," is to be exercised by the Chief of State at the instance of the Secretary of State.

The second decree appoints as Chief of State Petro Trad, president of the last Chamber of Deputies.

Trad is 61 years old, of a leading Beirut Greek Orthodox family. He was educated in the law in French schools here and in France and has since practiced his profession with ability and success. He has been a member of each Chamber of Deputies and three times its president. His politics are generally considered to be pro-French.

The new Chief of State entered upon the performance of his duties this noon and issued a decree appointing Abdullah Beyhum and Toufi Aouad as his Secretary and Assistant Secretary of State.

[Here follows section relating primarily to the biographical background of the two new Secretaries.]

WADSWORTH

890E.00/155 : Telegram

The Diplomatic Agent and Consul General at Beirut (Wadsworth) to the Secretary of State

BEIRUT, August 2, 1943—10 a. m.

[Received 3:47 p. m.]

243. Reference my 238 July 26, 5 p. m.⁴⁶ Lebanese electoral crisis assumed last week new disturbing aspect as compromise proposed by Spears and Helleu was accepted by Moslems, bitterly opposed by most Christians and imposed by Free French decree promulgated July 31.

⁴⁶ Not printed.

Spears returned from London July 25. On the 29th he reviewed situation for me substantially as follows:

He had consulted in Algiers with Catroux who expressed strong displeasure at Helleu's handling of electoral problems and felt that issuance of Tabet's June 17 decrees was a mistake certain to occasion Moslem-Christian conflict.

Only by Catroux's intervention, on basis of Nahas proposal that 25-29 Moslem-Christian parliamentary ratio be adopted had Moslem ire been assuaged [*assuaged?*]; but Christians had refused to cooperate even though proposal assured them reasonable parliamentary majority.

He had agreed with Catroux that affairs must be solved promptly. Lebanon's whole future was jeopardized. If Christians persisted in demanding 22-32 ratio or return to old chamber figure of 28-35, Moslems here and in Syria and neighboring countries might be incited to demand assimilation of the whole country in their post war political structure.

This his Government could not approve. Lebanon's independence had been recognized. Britain had guaranteed it. They could not stand by and see that lost.

He had therefore considered with Helleu the various suggestions for compromise. The figure of 54 deputies was admittedly based on incomplete census records. Why not make it 55? Moslems would have their 25 seats and Christians the same proportionate majority as in last Chamber.

He wanted early elections. Any compromise ratio would probably have to be imposed. He had just seen Maronite Patriarch who was unreasonably obdurate. He had therefore agreed that Helleu issue the necessary decree without further effort towards compromise.

I commented that while the matter was none of my business he might be interested to know that my information was to the effect that the Moslem executive too would strongly oppose imposition of any compromise solution. Its secretary, speaking for the Mufti, and two of its leading members had given me clearly so to understand when calling early in the week.

This may have influenced Spears to postpone action, for next morning he called on the Mufti. Executive consent to 25-30 compromise ratio was obtained on condition that complete census be held within 2 years and Chamber seats be readjusted accordingly.

Meanwhile on afternoon 29th a "Christian Congress" was held under presidency of Maronite Patriarch. Lebanon's seven leading recognized sects were represented by prominent bishops. Protestants were unrepresented, their official head being absent on church business.

This meeting denounced "the attitude of the Moslem Congress as an attack against both the Christian majority in Lebanon and the

integrity of the state itself" and characterized January Blue Book proposals as threatening such integrity. It decided:

To oppose all intervention by foreign (Arab) governments "because animated by religious fanaticism".

To refuse wholly the proposals of Nahas and Nuri.

To support the Tabet decrees of June 17 and in particular their provisions optant emigrants "most of whom live in the United States under whose flag many offer their lives in the cause of liberty".

To accept alternatively the 2-35 [~~22-35~~] ratio "in proof of their Christian indulgence and to safeguard national brotherhood"; and

To boycott elections should "such minimum safeguard of Christian rights" be not realized.

This protest was communicated to Spears and Helleu, and the following morning the Maronite and Greek Orthodox Bishop of Beirut called formally on me. The Maronite "feared" a general Christian uprising; both petitioned American intervention. I was politely discouraging; diplomatic practice precluded my interfering in internal political matters.

Next morning the latter called again alone. He was troubled as to whether he should stand by Congress decision or welcome compromise as being in harmony with traditionally tolerant attitude of Orthodoxy. I did not discourage him in this attitude.

At noon same day Helleu promulgated his decree establishing 25-30 ratio and ordering general census within 2 years; and both he and Spears made radio appeal for brotherly unity. Refusal at this stage in world affairs, Helleu said, "would not be understood by world opinion" and, according to Spears, "would be to risk losing the sympathy of the democracies".

Helleu stressed his "unenviable though necessary role of arbiter" and urged the taking "this step which will permit you to begin the free and full exercise of your sovereignty".

Spears stressed that "completely free elections should take place at the earliest possible date", supported by the decree and said: "Great Britain has guaranteed your independence, promised by France. France by the measures which have [been taken by?] Mr. Helleu has begun to implement the promise made".

I wonder at this somewhat bold use of "France". It cannot be popular among Lebanese generally and, knowing Spears' personal inclination to play down Free French activity, it strikes me as being off key unless used under instructions given him in London.

There seems too to have been unnecessary haste in imposing this new decree; for, had the Christian Congress been told of Moslem action in accepting compromise ratio and consequent Franco-British decision to impose it, it is readily conceivable that at a second meeting, Christian acceptance, too, could have been obtained.

As it was, Patriarch's reaction to decree was one of bitter hostility and almost his first act was to call his cousin Aouad and direct him to resign his post of Assistant Secretary of State in the week-old Trad Government.

One cannot but speculate whether both Spears and Helleu might not have acted also on undisclosed motives of expediency: Spears hoping to regain for Britain a preeminence of prestige with the Moslems which Catroux's recent visit here undermined; and Helleu being not unwilling to make Spears appear chiefly responsible for overriding Christian pretensions and to profit from possible resulting impasse by again deferring elections.

WADSWORTH

890E.00/156 : Telegram

The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State

BEIRUT, August 4, 1943—4 p. m.

[Received 5:15 p. m.]

244. Reference my 243, August 2, 10 a. m. Orthodox Bishop informed me yesterday that at reconvened meeting previous day of church delegates representative Helleu was informed electoral decree would be accepted without further protest, Christians having no other course when faced with Allies' strong appeal and stronger insistence that opposition would be prejudicial to common cause with democracies. He confirmed that delegates resented Spears' speech considering it unwarrantedly threatening and a play to regain Moslem support.

Dr. Tabet also confirms this reaction and speaks earnestly for independence of a smaller Lebanon as only way to preserve its Christian character and protect it from assimilation by Moslem world. He offers in rebuttal of argument advanced in last paragraph my 238, July 26, 5 p. m.⁴⁸ that equally effective precedent for fair treatment of Christian minorities in Moslem states could be set by a predominantly Christian Lebanon according truly equal treatment to smaller Moslem minority.

Assistant Secretary of State Aouad has resumed office on ground that his resignation was not accepted and *raison d'être* for its submission no longer exists. This displeased even Maronite majority which considers him inferior in representative caliber to Trad and Beyhoum.

⁴⁸ Not printed.

Spears confirms that electoral crisis has passed. He is now "going to bat" on Mukaddam case (my 223, July 5, 5 p. m.⁴⁹) and commented that while Foreign Office policy seemed to be to keep things as quiet as possible Prime Minister took stiffer attitude though always with reserve that nothing was to be done to oust France but rather to afford it opportunity to achieve position here similar to that of Britain in Egypt.

Yesterday Spears saw Shukri Quwatly⁵⁰ who was pleased with results of Syrian elections, notably because practically old [*all?*] French sponsored candidates were defeated. Shukri said he had been "playing" French on treaty question and could state categorically new Chamber would never conclude French alliance. He wants early transfer of *intérêts communs*, solicits British and Americans support and envisages (which probably means he would incite) popular demonstrations should French continue recalcitrant.

Spears holds all this to be strong added reason for insisting on early freest possible Lebanese elections and hopes Department may be considering further parallel *démarche* with Foreign Office despite fact that while recently in London he had seen no sign of American interest in Levant problems.

Today I was received formally by new Chief of State and his two Secretaries of State. I made special point of saying my Government's policy as expressed in my letter of credence and presentation remarks remains unchanged⁵¹ and left copies with them. I mentioned, too, Department's interest in free elections. He welcomed this reassurance and interest as in keeping without implicit promise, not that we undertook to establish full Lebanese independence but rather that we would lend our support to that end now in so far as exigencies of war might permit and definitely at the peace conference provided always that Lebanon meanwhile shows itself worthy thereof.

Manner in which both Moslems and Christians in meeting electoral crisis had subordinated communal interests to those of state was, he held, good augury; it was on this plane that he had induced Maronite Patriarch to assent; it was no time for separatist tendencies; his ideal was a truly independent greater Lebanon which would cooperate freely with its neighbors.

⁴⁹ Not printed; the Mukaddam case involved an Anglo-French dispute in Syria and Lebanon concerning the extent of British military jurisdiction.

⁵⁰ Assumed office of President of Syria on August 17; see his letter to President Roosevelt, *infra*.

⁵¹ In the original letter of credence presented by the Diplomatic Agent on November 17, 1942, it was stated that ". . . it is the intent of the American Government appropriately to manifest its sympathy with the aspirations of the Lebanese people for sovereign independence, in anticipation of the day when in peace, full exercise thereof need no longer be circumscribed by limitations necessitated by conditions of war". (123W.111/406)

He plans to issue a decree probably tomorrow setting elections one month hence; to best of his Government's ability they will be free.
WADSWORTH

890D.01/709

*The President of the Republic of Syria (Kouatli) to President Roosevelt*⁵²

[Translation]

DAMASCUS, August 17, 1943.

VERY DEAR AND GREAT FRIEND: Acceding to the wishes of the National Representation, I assumed, today, the Presidency of the Syrian Republic.

Assured of finding in the Government of the United States a disposition favorable to the maintenance and strengthening of the most friendly bonds so happily existing between our two countries, I express the most ardent good wishes in favor of the Great American Republic and the success of the struggle undertaken together with the United Nations for the liberty and independence of the Nations.

I beg you, Very Dear and Great Friend, to accept the expression of the personal sentiments with which I have the honor to be

Your Excellency's faithful friend

CHUCRI KOUATLI

890E.00/159: Telegram

The Diplomatic Agent and Consul General at Beirut (Wadsworth) to the Secretary of State

BEIRUT, August 18, 1943—6 p. m.

[Received August 18—5:45 p. m.]

258. Reference fourth and last paragraphs my No. 255, August 16, 5 p. m.⁵³ Opening of Syrian Parliament was dignified, colorful with mixed native and European costumes and marked by atmosphere of keen satisfaction. Syria had at long last taken first vital step on road to independence.

Of 124 elected deputies 121 were in their seats before 9 a. m. and promptly on the hour Chief of State Ayoubi opened session, his government took satisfaction in having fulfilled its mission to hold well ordered elections as necessary prerequisite to reestablishment of constitutional life. To this end sympathy of France and Allies had been of precious aid.

⁵² Copy transmitted to the Department by the Diplomatic Agent and Consul General at Beirut in his despatch No. 190, October 2; received October 14.

⁵³ Not printed.

Applause was obviously genuine as Ayoubi descended from rostrum and Parliament passed to special session to elect its officers and President of Republic.

Faris el-Khoury, minority deputy, earnest nationalist, veteran of Ottoman and earlier Syrian Parliaments was reelected President of Chamber, supported by representative panel of collaborators. Voting completed he proclaimed with feeling full reestablishment of parliamentary authority. On Chamber's behalf he welcomed Helleu, Spears and me by name and representatives of Arab and other states present.

Climax of session was then reached in election of Shukri Quwatly as President of Republic. He took rostrum and spoke earnestly of country's future. High lights were reference to Atlantic Charter supplemented by direct allied promises and fraternal salute to Arab nation with which Syria shared historical traditions, current problems and aspirations for future.

All votes were practically unanimous indicating effectiveness of nationalist leaders (notably Quwatly's control of provincial as well as urban deputies and general desire to show united front[]). Salute of 21 guns followed voting.

To me at reception hour later he said he had been guided by American rather than French presidential practice. He had wished at outset to trace major lines of national policy. Syria wanted above all to consolidate its new independence, to show itself worthy thereof and to cooperate in cause of United Nations. He knew he could count on continuing American support.

New Government which will probably include five former Prime Ministers under Premiership Saadallah Al-Jabiri, leading Aleppo Nationalist, will be announced shortly. At small private lunch with two of them keynote was constructive optimism.

In evening 400 notables attended gala dinner for new President. Blackout regulations were suspended. Crowds milled and cheered outside. My colleagues were unanimous in recognizing healthy Nationalist spirit and welcoming choice of Quwatly.

An interesting aspect was successful countering of French pretensions to privileged treatment. At Parliament Helleu and his train were not received apart but in new diplomatic anteroom with British, Belgian, and my staffs, and Helleu was seated in diplomatic loge flanked by Spears and myself.

At following Presidential reception we were introduced separately in same order with our staffs and French were told constitutional Chief of State did not return calls. Further, Quwatly parliamentary address was seemingly pointed in referring to Free French, not France; and in conversation French Damascus residency is now referred to as the Ambassade.

From my well informed Iraqi colleague and others I gather that early moves will be made to appoint diplomatic representatives abroad and to press for prompt elaboration of program for progressive transfer of "Common interests". Not improbably the first will be achieved by exchanges with Iraq and Egypt; and as subject may be broached when I make formal calls on new government next week I should welcome Department's guidance as to what I should reply.

Farrell will submit detailed report.⁵⁴

WADSWORTH

890E.00/159 : Telegram

The Acting Secretary of State to the Diplomatic Agent and Consul General at Beirut (Wadsworth)

WASHINGTON, August 22, 1943—2 p. m.

220. Your 258, August 18, 6 p. m. Our action in respect of Syria and Lebanon has been guided by this Government's established policy to defer recognition of another executive until:

1) It is in possession of the machinery of State, administering the government with the assent of the people thereof

2) It is in a position to fulfill the international obligations and responsibilities incumbent upon a sovereign state under treaties and international law.

We welcome the successful reestablishment of constitutional government in Syria as an important step toward the fulfillment of these conditions, but believe that there must be an effective transfer of substantial authority and power to the new government before serious consideration can be given to the extension of full recognition.

The local authorities should accordingly not be given the impression that full recognition of Syrian independence by this Government is to be expected in the near future.

WELLES

890E.00/160 : Telegram

The Diplomatic Agent and Consul General at Beirut (Wadsworth) to the Secretary of State

BEIRUT, September 3, 1943—7 p. m.

[Received September 4—4:25 p. m.]

266. Reference my 255, August 16, 5 p. m.⁵⁵ Lebanese parliamentary elections were held August 29. In each of 5 electoral dis-

⁵⁴ Copy forwarded by the Chargé at Damascus in his despatch No. 40, August 27, not printed.

⁵⁵ Not printed.

tricts except Beirut approximately 60 percent of eligible voters went to polls, in Beirut only 26% ; these percentages being roughly those of earlier elections.

In Mount Lebanon there were 3 rival lists; in each other 2. In North Lebanon and Beqaa full quotas of candidates obtained clear majorities of votes cast; in other districts runoffs (when majority is not required) will be held September 5 for unfilled seats, namely: 1 of 10 in South Lebanon, 4 of 9 in Beirut, and 9 of 17 in Mount Lebanon.

Interventions and pressure by French and French supported Lebanese regional officials continued—even increasing according to Spears—but were in considerable measure effectively blocked by latter's energetic protests and counter measures.

Most important British protest with 6-page bill of particulars was addressed August 24 to Helleu whom Spears still believes honest but distressingly weak in control over subordinate French officials. Ending with reservation as to recognition of election results, this protest led Helleu, although denying charges, to issue public statement urging all to vote freely. This statement and obvious British support for freedom of elections were exploited by anti-French leaders to bring waverers into line; and notably in North and South Lebanon and Beqaa French favored lists were defeated by relatively independent fusion lists substantially representative of local factional leadership.

In Beirut, despite relatively small vote, interest was keen and results unexpected, well organized list of moderately pro-French politician Georges Tabet being defeated by later organized list headed by former Presidents Naccache and Tabet and Premier Solh.

Probable explanation lies in late popular swing primarily among Moslems desiring to show displeasure with French by reinstating these recently French ousted leaders. Some well informed observers however suggest manipulation of voting by French because preferring this list generally to rival list supported by Moslem executive and specifically because reasonably sure they can again control Dr. Tabet who still aspires to presidency.

In Mount Lebanon, despite Chief of State's personal comment that "all elections passed without serious incident", there was and still is bitter recrimination and some rioting between long time rival Khouri and Edde factions, French light armored car unit being sent to local governor seat at Baab day following elections.

There following earliest unofficial estimates that Khourist had gained substantial majority, Governor (notoriously a strong Eddeist) announced that seven of eight successful candidates were Eddeists. Accusations of fraud were hurled by angry crowd, notably that seals

on district returns were broken before central counting of ballots. More trouble is expected during runoff elections.

Elsewise most serious charges are extensive purchase of votes (notably in Beqaa) and strong arm tactics (notably in North Lebanon). It was in latter district that Karameh list defeated that of Maronite Patriarch's nephew Aouad. Patriarch now telegraphs me "Country in ebullition, I recommend setting up inter-Allied commission to establish violations of law before reunion of Chamber".

In general according to best informed foreign observers (notably my British, Iraqi and Egyptian colleagues) these election results show marked improvement over those of any earlier election as to independence of voting, corruption of Lebanese officials and maintenance of order, reservation being made as to still confused situation in Mount Lebanon. Even there however fact that Edde himself, even with strong French support, was not elected on first balloting is cited as healthy sign.

WADSWORTH

890D.01/704

*The British Embassy to the Department of State*⁵⁶

AIDE-MÉMOIRE

Among the problems which can hardly be postponed until the end of the war is that of the position of Syria and the Lebanon as independent states.

As the State Department are aware, independence was promised to the Levant States by General Catroux on behalf of the former French National Committee, and His Majesty's Government in the United Kingdom associated themselves with this promise. Elections are now being or are about to be held in these two States and when elected assemblies and popular governments supported by them are in being, there is little doubt that the question of defining the relationship of the French authorities to the new States by the conclusion of some more or less formal agreement will come to the fore. His Majesty's Government have reason to think that prominent Syrian nationalists and possibly also Lebanese are anxious to negotiate treaties with the French authorities when the new governments are set up. So far as His Majesty's Government are concerned, they have admitted that, when independence is granted to the Levant States, and without prejudice to it, France should have the predominant position in Syria and the Lebanon over any other European Power. They have

⁵⁶ Handed to Foy D. Kohler of the Division of Near Eastern Affairs by the First Secretary of the British Embassy (Hayter) on September 18. For the Department's reply, dated October 25, 1943, see p. 1000.

hitherto not pressed for the conclusion of treaties partly because no popularly elected governments were in existence in the Levant States, partly because the former French National Committee could not conclude such treaties, and for other reasons. But the question seems to require re-examination if only because we may be faced, once the elections in the Lebanon have been held, by a joint move towards treaty negotiations on the part both of the States Governments and of the French Committee of National Liberation.

The obvious precedent is that of Iraq where the mandatory régime of the Anglo-Iraqi treaties of 1922⁵⁷ and 1926⁵⁸ was terminated by the conclusion of the Treaty of Alliance of 1930⁵⁹ and the entry of Iraq into full membership of the League of Nations. Treaties of Friendship and Alliance on somewhat similar lines were negotiated by the French Government with both the Levant States in 1936, but they were not ratified nor approved by the French Parliament and never came into force.

There would be several difficulties about such a development in the Levant States at the present time. First and foremost there is the question whether the French Committee of National Liberation could be regarded as entitled to conclude a treaty of this sort. To this the French reply is likely to be that we have ourselves pressed and encouraged them to promise independence to the Levant States and that it would hardly be logical now to object to their taking steps to implement that promise. Indeed the conclusion of treaties for this purpose was specifically mentioned in General Catroux's proclamation on entry into Syria and the Lebanon in 1941, and in the declaration made by His Majesty's Ambassador at Cairo on behalf of His Majesty's Government. Possibly the difficulty could be surmounted in some way, for instance by initialling treaties in draft form, subject to formal ratification at a later date, and it might be agreed in a concurrent exchange of notes that pending a clarification of the constitutional position as regards the formal conclusion of the treaties, they would be put into force and executed. Such a solution would also overcome the difficulty of securing formal termination of the League of Nations mandate in present circumstances.

His Majesty's Government are the more unwilling to oppose such a solution, if it were really desired by both parties, since it would be in accordance with the policy they have themselves pursued for many years past of promoting the freedom and independence of the Arab countries. The local population would, besides, inevitably miscon-

⁵⁷ Signed at Baghdad, October 10, 1922, League of Nations Treaty Series, vol. xxxv, p. 13.

⁵⁸ Signed at Baghdad, January 13, 1926, League of Nations Treaty Series, vol. XLVII, p. 419.

⁵⁹ Signed at Baghdad, June 30, 1930, British Cmd. 3797, Treaty Series No. 15 (1931).

strue opposition to the more definite formulation of their rights of independence as contrary to the promises they had been given, and much local tension might well result in an area which is still essential for the prosecution of the war in the Mediterranean.

It might at one time have been feared that the elections would not be fairly conducted and that the negotiation of treaties with chambers and governments elected and chosen under pressure would in reality be a denial of popular rights. The elections in the Lebanon have not yet taken place, but there seems to be no question that the elections in Syria have given rise to very few complaints. At present there seems to be relatively little to fear on this score, at any rate so far as Syria is concerned.

In the circumstances His Majesty's Government are inclined not to insist on the objections they have previously held to the negotiation of treaties of this kind before the end of the war, or to the negotiation of a treaty by the present French authorities provided that the formal position is covered in some way such as that described above. They would not, however, wish to exercise any pressure on the Syrian and Lebanese Governments for or against the negotiation of such a settlement, but propose to inform His Majesty's Minister at Beirut that he should reply to any enquiries he may receive regarding the attitude of His Majesty's Government that there is no objection to such negotiations.

In several directions, however, it may well be necessary to restrain the French from seeking to impose unduly onerous conditions on the Governments of the two States. It would be necessary firstly to make it plain that nothing in the new regime to be set up under the projected treaties could be allowed to prevent the two States from joining any Arab federation which may materialise. As a corollary a close watch would have to be kept on the educational arrangements contemplated by the French as part of the 1936 settlement; the teaching and the use of the English language will have to be secured on an equal basis with French. Indeed, should an Arab federation ever come into being it is highly probable that the teaching and use of English will, in order to secure conformity, tend largely to supersede that of French. Again the French claim to appoint Advisers to the new States will have to be kept within reasonable limits if the administrations are not to be swamped, and their financial stability impaired, by an excessive number of appointments.

The situation envisaged here, is one where both parties desire to conclude a treaty. In such a case His Majesty's Government will hesitate to oppose their desire. If, however, the Syrians or the Lebanese do not wish to enter into negotiation, His Majesty's Government have no intention whatever of pressing them to do so.

WASHINGTON, September 10, 1943.

890E.00/163 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, September 22, 1943—7 p. m.
[Received September 22—5 : 33 p. m.]

280. Refer my 266, September 3, 7 p. m. and penultimate paragraph my 277, September 17, 5 p. m.⁶⁰ Lebanese Chamber of Deputies met in special opening session yesterday and, after choosing its officers, selected Shiekh Beshara-el-Khouri as President of the Republic. For biographic data report please see despatch No. 164, August 6.⁶¹

Of 55 deputies 47 were present, 3 abstained from voting; balance voted unanimously. Absentees and abstainer[s] were Shiekh Beshara[']s chief rival, former President Edde, latter's remaining partisans.

Khouri's election was result of fortnight intense electioneering during which it became clear he was generally favored by Spears, Syrian Government and local Moslem Executive as well as his own group of primarily Christian deputies. Even French who had been strongly supporting Edde came into eleventh hour line.

Edde's last minute abstention was "in protest against foreign (i.e. primarily Spears) interventions" which considering support given him by French makes him laughing stock of Chamber. All objective observers agree, however, that campaign took an [on?] increasingly color of intense Franco-British rivalry for ascendancy of influence, with Spears clear winner.

As Khouri is Maronite, precedent for filling Presidency from member this numerically leading community is met. Similarly Premiership will be filled by Sunni Moslem; but departure from precedent was made at urgent insistence Shia Moslems that presidency of Chamber formerly filled by minority Christian be given member this third leading community.

Sabri Hamadi prominent feudal chief from Beqaa was selected to latter post. Riad es Solh is favored for Premiership by Nationalists and British and is apparently acceptable to French.

Khouri's address to Chamber following election stressed Lebanon's long time aspirations for independence and for internal concord among its communities. "We shall certainly not renounce any of our traditions or our friendships" he said "but we know that no friendship is incompatible with the rights of independence".

He paid highest tribute to Allied cause and referred to Lebanon's relationship with Arab states as that of "a neighbor sure under-

⁶⁰ Telegram No. 277 not printed.

⁶¹ Not printed.

standing and fraternal, maintaining a cooperation sealed by friendship and sincerity" in a world where isolationism can no longer exist.

WADSWORTH

890E.01/196a : Telegram

The Secretary of State to the Diplomatic Agent and Consul General at Beirut (Wadsworth)

WASHINGTON, September 23, 1943—7 p. m.

247. OWI⁶² has requested, apparently at your suggestion, obtaining official statement from the Department regarding election new Lebanese President. This seems possibly undesirable to us, in view of nonissuance of such statement following recent Syrian elections. However, you may, in your discretion, make suitable statement for public release to the effect that this Government has followed recent developments in Syria and Lebanon with close and sympathetic attention, and that it welcomes the successful reestablishment of constitutional governments in those States as a further important step toward the fulfillment, under the banner of the United Nations, of the aspirations of the Syrian and Lebanese peoples for sovereign independence.

HULL

890E.00/164 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, September 29, 1943.

[Received September 29—11:27 a. m.]

1739. Council of Ministers at meeting September 27 approved proposal of Prime Minister that Egypt recognize independence of Lebanon and establish Legation at Beirut. It is reported that diplomatic representative when assigned will also be accredited to Syria whose independence Egypt recognized October 5, 1941 and where Council already on September 19, 1943 approved establishment Legation.⁶³

In note proposing recognition, Prime Minister, after referring to desire of Egypt to see independence of these two countries become reality by return to constitutional forms with which endeavor Egypt has been in direct contact (see my despatch 1169 July 17, 1943),⁶⁴ mentioned election of Lebanese President and formation of national government, stated that it is important that relations be established with that government in connection with the negotiations concerning

⁶² Office of War Information.

⁶³ Iraq had also granted full diplomatic recognition to Syria on August 30.

⁶⁴ Not printed.

Arab union and concluded that recognition conforms with established policy of strengthening ties between Arab countries.

Repeated to Beirut.

KIRK

890D.01/707 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, October 2, 1943—2 p. m.

[Received October 3—12:10 p. m.]

285. During visit to Damascus September 30 for Bairam festival I attended first formal diplomatic lunch given by President. Both he and Foreign Minister took pointed occasion to urge exchange of diplomatic representatives of grade of Minister.

President said he wished American Government to know he entertains high appreciation its general policy towards Syria and Lebanon which had been strong moral support for their leader's efforts during past year to achieve reestablishment constitutional government as necessary foundation for progressive realization aspirations for full independence not on paper only.

He said he knew those aspirations were regarded with sympathy by American Government and he recognized fully "transitional need for limited exercise of sovereignty due to exigencies of war." Consequently he hoped now to have our help in achieving early further realization of political and administrative independence along lines already explained to me by Premier and Foreign Minister (please see my telegram No. 277, September 17, 5 p. m.)⁶⁶

In political field full recognition by Egypt and Iraq had given him highest satisfaction especially as it was accompanied by promise of early exchange of Ministers. He hoped Syrian-American relations could be put on same basis.

I answered along line of earlier reply to Premier and Foreign Minister (despatch No. 170 of August 27)⁶⁶ stressing that I believed Department could not under its long traditional policy feel itself properly able to take such action until Syria had at least first acquired fuller possession of machinery of government.

As his Government's primary political policy was designed to achieve that and insofar as possible within framework of limitations necessitated by conditions of war, might it not, I ventured to suggest, be more appropriate to await realization of that policy before raising the issue. He closed conversation by expressing hope way could be

⁶⁶ Not printed.

found and asked that I consider matter further with Foreign Minister. I readily agreed.

Latter took me aside few minutes later and said his office had prepared rough draft of note to send me but in view my conversation with President he would first appreciate my comment thereon. He outlined text later given me informally by his secretary. Copy goes forward by today's pouch.⁶⁷ It makes no new important point.

I sense that, despite my reiteration of Department's comment (telegram No. 220, August 22, 6 [2] p. m.) that there must be effective transfer of substantial authority and power to new government before serious consideration can be given to extending full recognition, note will be sent if only as formal record of Syrian Government's desire.

I can, should Department so wish, suggest that if note be sent it include assurance that new constitutional government willingly recognizes and will fully respect all treaty rights of United States and its nationals in Syria. This at least would be advance over somewhat unsatisfactory assurances of former Syrian Government (see despatches Nos. 453, August 22, 462, September 3, and 467, September 12, 1942.)⁶⁸

As Foreign Minister expressed desire to discuss matter further with me before his departure for Cairo Arab unity discussion about October 10, I should appreciate early reply to foregoing paragraph.

Shortly before departure lunch guests French Delegate General, British Counselor and I were taken aside separately by Foreign Minister and given embossed letters signed by President announcing his assumption of Presidency on August 17 last and expressing warmest wishes for success for United Nations cause. Letter given me addressed to President Roosevelt⁶⁹ is being forwarded by pouch.

WADSWORTH

890D.01/707: Telegram

The Secretary of State to the Diplomatic Agent and Consul General at Beirut (Wadsworth)

WASHINGTON, October 5, 1943—8 p. m.

254. Your 285, October 2, 2 p. m. Your remarks to Syrian President and Foreign Minister and suggestion contained in antepenultimate paragraph are approved.

HULL

⁶⁷ Sent as enclosure to despatch No. 190 of October 2, from Beirut, not printed.

⁶⁸ None printed; they forwarded the texts of exchanges regarding American treaty rights in Syria. These in turn were based on an exchange of October 22, 1941; see *Foreign Relations*, 1941, vol. III, pp. 785 ff.

⁶⁹ Letter dated August 17, 1943, p. 985.

AMERICAN AND BRITISH REPRESENTATIONS TO THE FRENCH COMMITTEE OF NATIONAL LIBERATION CONCERNING THE FRANCO-LEBANESE CRISIS OF NOVEMBER 1943

890D.01/710

*Memorandum by Lieutenant Colonel Harold B. Hoskins*⁷⁰

[WASHINGTON,] October 9, 1943.

SYRIA AND LEBANON

In the course of a conversation with the President on September 27, 1943, dealing primarily with Saudi Arabia, I mentioned the opinion of Ibn Saud that the French would not voluntarily withdraw from Syria and Lebanon when the war is over.

At this point the President stated that he felt that the French should be forced to live up to their promise to give independence to these two countries, and asked my opinion. I answered that, based on my own knowledge of the situation, I agreed heartily with him in his opinion and stated that I felt justice required this Government to follow such a course.

890D.01/708 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, October 11, 1943—8 p. m.
[Received October 12—2: 53 p. m.]

291. Reference my 285 October 2, 2 p. m.;⁷¹ and 290, October 8, 8 p. m.⁷² At call on Syrian Foreign Minister⁷³ in Damascus yesterday he expressed keen satisfaction at vote of confidence given Lebanese Government, admitting readily that he and Syrian Premier⁷⁴ had collaborated unofficially with Lebanese Foreign and Prime Ministers⁷⁵ in drafting latter's declaration of policy. The four Ministers are to meet formally next week with view to elaborating (and probably announcing) common program "designed to achieve organization of their respective independencies".

⁷⁰ Copies sent by the Department on October 26 to London, Algiers, Beirut, Damascus, and Cairo. For correspondence regarding the Hoskins Mission to countries of the Middle East, see pp. 796-827, *passim*.

⁷¹ *Ante*, p. 994.

⁷² Not printed.

⁷³ Jamil Mardam.

⁷⁴ Saadallah al-Jabiri.

⁷⁵ Selim Tacla and Riad es-Solh, respectively.

Spears⁷⁶ and Helleu⁷⁷ who at Ministers' invitation have been in Damascus over week end had already, he explained, been told of this intention and urged to facilitate early definition of powers Allies (i.e. British and French) consider they must retain under formula "limitations necessitated by conditions of war" and transfer to Levant Governments of all the powers, notably those of essentially internal concern.

It was he said not only question of transfer of "common interests" services; basic definition of what is meant by "independence" is also involved; the French should no longer "legislate regarding internal matters". There was already informal agreement between Levant Governments that most desirable procedure would be to set up joint Syro-Lebanese Conseil Supérieur pour l'Administration des Services des Intérêts Communs, leaving for later determination all questions of division of revenues and possible eventual separation of certain services.

Spears he believed was desirous of facilitating realization of this policy but Helleu was non-committal averring that before discussion he would have to await early expected return of Chataigneau⁷⁸ from Algiers with instructions (see last paragraph my 277 September 17, 5 p. m.⁷⁹)

In this connection Minister seemed seriously concerned at de Gaulle's⁸⁰ current assumption of powers of Chief of Government and reference to "indestructible friendships" in the Levant in his Ajaccio speech October 8th. He had already gathered from French that they had every intention of conducting themselves as a government despite British and American formulae recognition; one French argument being that "Russia quite as influential as Britain and America" had accorded unqualified recognition to Committee of Liberation which consequently held itself competent to exerc[ise] [apparent omission] being typical of hardening local French attitude he repeated with unconcealed distaste reputed recent comment by Helleu's chief diplomatic assistant that "*indépendance Libanaise est une plaisanterie*".

Minister will defer addressing note to me regarding status of our representation pending some clarification of this involved situation,

⁷⁶ Maj. Gen. Edward L. Spears, head of the British Mission in Syria and Lebanon.

⁷⁷ Jean Helleu had in early July succeeded Gen. Georges Catroux as Delegate General and Plenipotentiary in Syria and Lebanon of the French Committee of National Liberation, General Catroux assuming a position with the French National Committee as Coordinator of Moslem Affairs.

⁷⁸ Yves Chataigneau, Secretary General on the staff of M. Helleu.

⁷⁹ Not printed.

⁸⁰ Gen. Charles de Gaulle, Co-Chairman of the French Committee of National Liberation.

and he seemed readily willing to include therein assurance referred to in Department's 254, October 5, 8 p. m.⁸¹

He now expects to leave about week hence for Cairo Arab unity discussions in which connection he wishes to meet Kirk.⁸² While there, he would also welcome opportunity to discuss with Landis⁸³ possibility of extending direct Lend-Lease aid to Syria. Department may wish to instruct Cairo regarding latter.

WADSWORTH

890E.01/200 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, October 24, 1943—6 p. m.
[Received October 25—4: 06 p. m.]

295. Reference my 290, October 8, 8 p. m.,⁸⁴ and 291, October 11, 8 p. m. During fortnight since Chamber voted confidence in new Government's "independence" program, strong wave of Nationalist sentiment has swept Lebanese Christian as well as Moslem circles. Even Maronite Patriarch has cordially received President and Premier and given program his blessing.

Generally strongly anti-French in color, this present political trend supports basic plank of Government's policy that Lebanon must achieve full independence in cooperation with sister Arab states based on mutual recognition of separate sovereignty and territorial integrity. In conversations here with several provincial leaders and on recent visit to paramount Druze sheikhs, I found interesting confirmation of reports that this support is as readily given by provincial groupings as by more politically minded Beirut circles.

President of Chamber has twice assured me, deputies will demand explanations if Government delays forthright action designed to implement program. In particular, they urge early modification of constitution, notably article 90 which subordinates exercise of legislative power to "rights and duties of mandatory power".

Significant incident occurred October 13 when French Delegate General Helleu published decree prescribing return to Winter time. Government's reply was immediate publication of similar decree, thus permitting Lebanese to observe their own rather than French promulgated law and deferring showdown on "vital question of the hour".

⁸¹ *Ante*, p. 995.

⁸² Alexander C. Kirk, Minister in Egypt.

⁸³ James M. Landis, U.S. Director of Economic Operations in the Middle East and principal U.S. representative, with the personal rank of Minister, Middle East Supply Center at Cairo.

⁸⁴ Not printed.

That question is: Shall French be recognized as having power to legislate by decree? Premier and Foreign Minister assure me they, like Syrian Ministers, will readily yield to Allied military authorities all powers "necessitated by conditions of war", but they state flatly that exercise of mandatory authority by Free French is without juridical basis, repugnant to Lebanese aspirations and inconsistent with Allied promises and acts of recognition of independence.

Most important political achievement of fortnight resulted from series of meetings between Lebanese and Syrian Ministers, ending with signature at Damascus October 20 of agreement for establishment of joint commission to administer common interests. Premier informs me *mémoires* of agreement, desiderata and demands are to be presented to French authorities this week; also that support of Arab States is to be urged by Syrian Minister now in Cairo.

President of Republic⁸⁵ calling informally on me last week expressed keen satisfaction at course of developments and confidence in good sense of Ministry and leading deputies. Like Premier, he expected strong opposition by French and expressed hope British and American Governments would "assist Lebanese Government in overcoming obstacles".

In case of United States, he said he hoped this could be done through "moral suasion at Algiers" to end that such further steps as war exigencies warrant be taken progressively to apply Atlantic Charter⁸⁶ principles to Levant States. He promised me brief "confidential impersonal memorandum" of Government's basic position and views.

This memorandum was brought me yesterday by Premier. He was obviously disturbed. Without sympathetic support of Allied and Arab Governments, he said "I fear we shall get nowhere". He continued substantially as follows:

"We and Syrian Ministers had hopes from early conversations with Helleu that *modus operandi* could be found for definition of wartime relationships and transfer of common interests. But barometer fell sharply with recent return of Chataigneau from month's consultations in Algiers.

"During ensuing fortnight we gained increasingly conviction that French will yield nothing of their *de facto* authority—to us it has no basis *de jure*—unless we first reaffirm or renegotiate Franco-Lebanese treaty of alliance. This we have no intention of doing; no Government could and retain Parliamentary confidence.

"Now we have just received uncompromising note from Helleu. It protests our program for progressive realization of independence. Special exception is taken to projected modification of constitution. Full mandatory authority is asserted. I can say no more except that matter must be submitted fully to Parliament."

⁸⁵ Chucri Kouatli, President of the Syrian Republic.

⁸⁶ Joint Declaration by President Roosevelt and British Prime Minister Churchill, August 14, 1941; for text, see *Foreign Relations*, 1941, vol. 1, p. 367.

Premier added he hoped to be able to give me full documentation end next week. If of special interest to Department, word in that sense would be helpful, for with 20-year background of mandatory control, there is still hesitation to communicate full texts of communications exchanged with French authorities.

Premier appeared, too, to be considerably perturbed by persistent recent rumor that Helleu is to be replaced by a French General and a division of French troops sent here to maintain security following expected departure of British Ninth Army units for European battle zone.

Résumé of memorandum sent me by President follows.

WADSWORTH

890D.01/704

*The Department of State to the British Embassy*⁸⁷

MEMORANDUM

The views of the British Government relating to Syria and the Lebanon, contained in Mr. Wright's⁸⁸ letter of June 28, 1943,⁸⁹ to Mr. Alling,⁹⁰ and in the British Embassy's *Aide-Mémoire* of September 10, 1943,⁹¹ have received careful and sympathetic attention.

The American Government's policy in respect of Syria and the Lebanon since the events of July 1941 has been guided by its frequently reiterated sympathy with the aspirations of the Syrian and Lebanese peoples for the full enjoyment of sovereign independence and by its established policy of deferring recognition of another government until such government is in possession of the machinery of state, administering the government with the assent of the people thereof and without substantial resistance to its authority, and until it is in a position to fulfill the obligations and responsibilities incumbent upon a sovereign state under treaties and international law.

Within these general lines, the relations of the United States Government with the various authorities in the Levant States have been conducted on a *de facto* basis, without prejudice to the eventual clarification of the juridical factors involved. Thus this Government was glad to recognize the step taken towards the independence of Syria and the Lebanon in the proclamations of General Catroux by establishing Legations at Beirut and Damascus, and accrediting to the local Governments a "Diplomatic Agent", a rank customarily used in the case of semi-independent States. While this Government has

⁸⁷ Copies sent by the Department to Beirut, London, and Cairo.

⁸⁸ Michael Wright, First Secretary of the British Embassy.

⁸⁹ *Ante*, p. 979.

⁹⁰ Paul H. Alling, Chief of the Division of Near Eastern Affairs.

⁹¹ *Ante*, p. 989.

observed with satisfaction the successful establishment of new governments in the two States, it believes that the extension of full recognition by the United States would be neither advisable nor warranted until substantial governmental powers still exercised by the French authorities have been effectively transferred to these local Governments.

The United States Government was not a party to the agreements concluded prior to the invasion of the Levant States by British and Free French forces in 1941,⁹² and is not prepared to admit that France should enjoy a "preeminent and privileged position" in Syria and the Lebanon. However, this Government is in substantial agreement with the views of the British Government as regards the possible conclusion of agreements defining the relationship of the French authorities to the new States. This Government would not object to free and voluntary negotiations for this purpose between the Syrian and Lebanese Governments and representatives of the French Committee of National Liberation, provided the instruments concluded contained proper safeguards of the rights and interests of the local populations and of the United States and its nationals and on the understanding that such instruments would be applied provisionally pending their eventual formal ratification and approval by the interested parties.

The United States Diplomatic Agent at Beirut is being instructed accordingly.

WASHINGTON, October 25, 1943.

890E.01/204 : Telegram

The Diplomatic Agent and Consul General at Beirut (Wadsworth) to the Secretary of State

BEIRUT, November 5, 1943—8 p. m.

[Received November 6—5 : 08 p. m.]

302. Reference my 299, October 30, 5 p. m.⁹³ On instructions of French Committee of National Liberation French Delegation General here issued communiqué today noon in following sense:

Committee has examined question as to whether Lebanese Government and Parliament may validly modify constitution unilaterally.

Its conclusion is that French authorities cannot recognize validity of any such action, if affecting texts resulting from international obligations undertaken by France and still in effect, unless made with French assent.

⁹² For correspondence on this subject, see *Foreign Relations*, 1941, vol. III, pp. 725 ff.

⁹³ Not printed.

Decision is but application of general rule of law. Respect of contracts is basis of independence and liberty of states.

Committee is confident Lebanese nation will recognize wisdom of decision and realize that in practice it is in conformity with determination of France to accord Lebanon complete independence through negotiations undertaken in spirit of friendly cooperation. (End communiqué.)

Reaction in Lebanese Nationalist and Government circles will assuredly be one of bitter opposition, e.g., chairman of Parliamentary Foreign Affairs Committee tells me that if Government does not immediately proceed with its original proposal, thus denying French right of intervention, he will have full Parliamentary support in calling special session to interpellate Prime Minister.

He informed me that President of Republic when receiving communiqué from French delegate to Lebanon stated in substance "If this is attitude of France we consider ourselves no longer under any obligations to you and free to do as we find best".

Leading Maronite Archbishop, Mubaraq of Beirut, with whom I also talked this afternoon was indignant. The French are going too far, he said, with their pretensions to unqualified mandatory authority; our constitution provides specifically that Parliament can modify it; the Prime Minister has just told me he is issuing strong statement in rebuttal; I have argued that Christian Lebanon needs foreign protection, but this is servitude.

Lebanese Government communiqué issued this afternoon reads substantially as follows:

Ministry has reviewed French communiqué. It considers that modification of constitution is within rights of Lebanese constitutional authorities under article 76 *et seq* of constitution.

Consequently it has now presented to Parliament bill for modification of certain provisions of constitution in contradiction with countries [*country's*] complete and recognized independence.

Bill had had careful study of Ministry in conformity with its announced program of ensuring practical realization of independence.

WADSWORTH

890E.01/205 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, November 8, 1943—5 p. m.

[Received November 8—3:35 p. m.]

305. Reference my 302, November 5, 8 p. m. Lebanese Chamber today voted unanimously Government's bill amending constitution.

WADSWORTH

890E.01/207 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, November 9, 1943—10 a. m.

[Received 9:07 p. m.]

306. Supplementing my 305, November 8, 7 [5] p. m. By publication of communiqués reported in my 302, November 5, 8 p. m., clear issue was joined in Franco-Lebanese political crisis, French having publicly declared they would not recognize validity of proposed constitutional amendments unless made with their assent and Government having answered by its bill to Parliament called to meet in special session November 8.

Bill proposed amendment of articles 1, 11, 52, 92, and 102 and repeal of articles 9-94, designedly to bring constitution into conformity with country's present recognized independent status, briefly as follows:

In article 1, deletion of reference to France and League of Nations. Frontiers are those now existing.

In article 11, deletion of provision that French shall be second official language. Envisaged law will permit its use for special purposes, e.g., in mixed courts and diplomatic correspondence.

In article 52, deletion of provision that President's power to negotiate and ratify treaties is subject to article 3 of mandate.

In article 95, deletion of reference to article 1 of mandate. Further modification of this article will, in line with Ministry's program be proposed in promised second constitutional bill which will also open question of changing Lebanese flag to avoid use of French colors prescribed in article 5.

In article 102, deletion of sentence placing constitution under safeguard of France as mandatory.

Articles 90-94 are repealed because made up solely of "dispositions relative to mandatory power and League of Nations".

Bill was circulated to Deputies November 6. Attitude of leaders Government and Chamber was that it should be voted without further Franco-Lebanese negotiations. Their arguments were substantially as follows:

When French Delegate General Helleu left for Algiers⁹⁴ October 26 we agreed not to force issue pending his return with new instructions. French broke this gentleman's agreement by publishing their communiqué of November 5. It is they therefore who have precipitated crisis.

Meanwhile French have consistently endeavored to sow discord and uncertainty in Lebanese ranks by whispering campaign against Government and through "Fausses nouvelles," e. g., that Helleu was to be replaced by General bearing revived title of High Commissioner,

⁹⁴ Headquarters of the French Committee of National Liberation.

that latter would be supported by division of North African troops and that de Gaulle himself would come shortly to settle matters; were Parliament to delay vote those machinations might bear some fruit among the timid.

More important, however, is consideration that by further negotiation with French we would afford them opportunity to give their assent to proposed amendments. This they might well do both to save face and to maintain façade of their pretended mandatory authority.

November 7 Lebanese Premier and Vice Premier met with Syrian Premier and Foreign Minister at Chtaura⁹⁵ where full Syrian support of proposed Lebanese action was assured. Syrian Premier confirmed this specifically to Farrell⁹⁶ same evening in Damascus, adding that inept French policy has unconsciously aided Lebanese policy by consolidating Lebanese public opinion behind it.

Latter was strikingly borne out yesterday morning by apparently spontaneous closing of majority of stores in Beirut central shopping district as protest against French attitude. They reopened upon Premier making tour in person accompanied by other leaders who urged that demonstrations and disturbances would only play into French hands.

Yesterday morning the French made eleventh hour efforts both to induce Government to postpone parliamentary session pending Helleu's return and, if failing in this, to prevent parliamentary action by assuring lack of two-thirds quorum.

As proof of latter, I have interesting testimony of four reliable Deputies of Edde⁹⁷ opposition group that French Sûreté⁹⁸ chief urged their dozen members to absent themselves, assuring them at same time full security by Sûreté agents of their persons and properties.

With former object in view French Delegate to Lebanon called on President of Republic and read to him and Premier memorandum of message "just received from Helleu in Cairo". After requesting postponement of session pending personal presentation of "interesting propositions" from Algiers Committee this read: "Mr. Helleu asks that he not be faced with *fait accompli*. Otherwise he will be obliged to reserve entire liberty of appreciation and action. This should not be taken as threat but expression of desire frankly to define his attitude".

After brief consideration Government expressed regret that "in actual state of things postponement of sessions could not be proposed

⁹⁵ Lebanon.

⁹⁶ William S. Farrell, Second Secretary at Damascus, and Chargé in the absence of the Diplomatic Agent (Wadsworth), who was in residence in Beirut.

⁹⁷ Emile Edde, former Lebanese President.

⁹⁸ French security police.

by it." Reply added "This attitude should not prevent any negotiation with representative of Committee of Liberation".

Lebanese Minister of Interior⁹⁹ who brought me these texts on instructions from Premier asked me to assure my Government that Lebanese Government intends to keep dispute on constitutional plane and do nothing to precipitate trouble. He cited Premier's morning action in reopening shops adding that effective police precautions had already been taken to prevent demonstrations during Chamber session.

He did not hide however serious concern (which I have heard expressed in all circles over week end) as to what action French might take in event of vote modifying constitution. Would they run true to past form and in exercise of pretended mandatory authority issue decree suspending constitution and proroguing Parliament? If so, he said, deputies will ignore it because under constitution only press [*President?*] possesses power of prorogation. What then? Would French use force and physically close Parliament with armed Senegalese troops? This would also mean fall of Government, an emanation of Parliament.

What, he asked, would be my Government's reaction to this? Trouble might well ensue because, while Government could [apparent omission] certainly not prevent popular protest strikes and these might lead to serious disturbances.

Fortunately, for the Minister's visit was hurried, I was not pressed to elaborate my reply that, as he already knew my Government's sympathetic attitude toward Lebanese aspirations, I felt sure I would not be misunderstood if I counselled personally and on general grounds against use of force [while] we were still very much at war. Not only would breakdown of public security prejudice our common war effort, but it would afford welcome propaganda material to our enemies.

On this score British Ninth Army authorities are somewhat apprehensive. Ranking staff Brigadier and Judge Advocate have both consulted me informally. They and Army Commander would view with strong distaste necessity of British military intervention to support French suppressive action.

I commented that from my considerable contacts of last fortnight I believed possibility of disturbances could certainly not be dismissed but that were British military police to appear on streets they would probably be met with cheers rather than with any bricks not thrown at French.

⁹⁹ Camille Chamoun.

Beirut was in fact ordered out of bounds to all British troops yesterday. But as events proved this precaution was unnecessary. Parliament met in atmosphere tense with excitement but with well-circulated word of Government's wishes supported by strong contingents of Lebanese police and gendarmes kept crowds orderly and relatively quiet.

Parliament session itself was serious and orderly. Proceedings were opened by one of Edde group proposing and Edde himself seconding motion that bill be referred to committee. This being defeated Edde and one follower withdrew leaving 48 of 53 Deputies to continue discussion.

Debate was at times heated notably on article even [*eleven*] regarding which several Deputies urged deletion of any reference to French language. Prepared speeches on general subject of independence and in support of Government were, according to Legation's interpreter, well delivered and well received. Final voting on roll call was unanimous.

Early in evening French press director called to his office representatives of all local newspapers and instructed them that no mention whatsoever of parliamentary sitting or vote could be made in any newspaper, that for them "it hasn't happened"; any infraction would be severely dealt with.

Editors later met and decided that despite this censorship order and warning they would publish the facts. They did, and today French Sûreté has seized all newspapers except a few copies which were early delivered or smuggled out of newspaper offices. Copies are now quoted at approximately one dollar.

Next move is presumably up to Helleu who, I have just been informed, will arrive from Cairo this afternoon. French Sûreté chief is reliably quoted as saying "All is prepared for effective reprisals".

Two final points: British Brigadier referred to above informs me French have actually proposed sending additional troops here from North Africa and that General Wilson¹ has categorically refused.

Belgian Chargé d'Affaires informs me Syrian Foreign Minister stated textually in recent conversation "After mature consideration we have decided without reservation to throw our lot (*marcher*) with Anglo-Saxon bloc".

Repeated to Algiers.

WADSWORTH

¹ Gen. Sir Henry Maitland Wilson, Commander in Chief, British Forces in the Middle East.

890E.01/201 : Telegram

*The Acting Secretary of State to the Consul General at Algiers
(Wiley)*

WASHINGTON, November 9, 1943—midnight.

2096. For Murphy.² The Department understands that Mr. Jean Helleu, Delegate of the French Committee of National Liberation at Beirut, is now in Algiers to discuss with the Committee future policy as regards Syria and Lebanon, in the light of the demands of the recently established elective local Governments to exercise all sovereign powers not necessarily reserved to the Allied military authorities for war purposes. This would apparently involve, notably:

1. Transfer to the local Governments of the governmental powers formerly exercised by the French High Commissioners and still retained by the Free French delegation, consisting mainly of the administration of the "common interests" (i.e. customs and monopoly revenues, patents and trademarks, et cetera).

2. Dismantling of the French administration, with transfer of appropriate French personnel to positions as advisers to local Government departments.

3. Changing status of French Delegation to that of diplomatic representation.

4. Appropriate modification of constitutional provisions conferring governmental powers on the French administration.

Despite the proclamations of "independence" issued by General Catroux in the fall of 1941,³ in the name of the French National Committee at London, the French authorities have continued zealously to retain maximum powers. It is understood that Helleu recently informed the Lebanese Government that the mandate remains in effect and that constitutional modifications would accordingly not be accepted.

It is the opinion of this Government that the French Committee of National Liberation should take practical steps to implement the "independence" promised the Levant States; and that its failure to do so would cast doubt on the sincerity of announced United Nations principles and thus injure our common war effort. In our view, no useful purpose would be served by an academic debate on the juridical technicalities of this complex situation. The validity of the French thesis is dubious, at best, and for practical purposes the League mandate must be regarded as being in suspense.

² Robert D. Murphy, U.S. Political Adviser, Staff of the Supreme Allied Commander, Mediterranean Theater, at Algiers.

³ For reports of the declarations regarding Syria, September 27, 1941, and Lebanon, November 26, 1941, respectively, see telegrams No. 381, September 28, 1941, and No. 467, November 26, 1941, from the Consul General at Beirut, *Foreign Relations*, 1941, vol. III, pp. 786 and 805, respectively.

In a recent exchange of communications with the British,⁴ copies of which are en route to you under cover of an air mail instruction dated October 25,⁵ the Department expressed this Government's essential agreement with the views of the British Government as regards the possible conclusion of agreements defining the future relationship of the French authorities to the new States, stating this Government's position in the following terms:

"This Government would not object to free and voluntary negotiations for this purpose between the Syrian and Lebanese Governments and representatives of the French Committee of National Liberation, provided the instruments concluded contained proper safeguards of the rights and interests of the local populations and of the United States and its nationals and on the understanding that such instruments would be applied provisionally pending their eventual formal ratification and approval by the interested parties."

It was also made clear that this Government does not consider itself associated with the (Lyttleton-de Gaulle) agreements⁶ concluded prior to the invasion of the Levant States by British and Free French forces in 1941, and is not prepared to admit that France should enjoy a "preeminent and privileged" position therein.

Syria and Lebanon have never constituted a part of French territory but have been mandated States of Class A, whose independence was contemplated in the terms of the mandate itself and has already been long delayed, despite the relatively high level of education and political maturity of the populations. There would seem to be little doubt that reasonable arrangements accepted on a *de facto* basis by the principal parties at interest at the present time would be formally approved after the war. Moreover, we are convinced that sincere and generous action to implement the independence of the Levant States now would create goodwill toward the French on the part of the Syrian and Lebanese people and thus protect and serve the long run interests of France much better than insistence on retaining mandatory powers, which would certainly create an explosive quantity of ill-will and resentment. Please take this matter up in the foregoing sense with the appropriate French authorities (this will presumably include General Catroux) keeping the Department and Beirut informed of developments.

The substance of this telegram has been communicated to the British Embassy here and it is expected that your British colleague⁷ will shortly be instructed to make similar representations. You are

⁴ See Department's memorandum to the British Embassy, October 25, p. 1000.

⁵ Not printed.

⁶ August 7, 1941, British Cmd. 6600, Syria No. 1 (1945), pp. 3-4.

⁷ Harold Macmillan, British Minister Resident at the headquarters of the Supreme Allied Commander, Algiers.

authorized to discuss this matter with him, but because of special interests which might be imputed to the British in this area, it would appear preferable that your action be independent of any which he may take.

Sent to Algiers for Murphy. Repeated to London, Cairo and Beirut.⁸

STETTINIUS

890E.00/172 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, November 10, 1943—3 p. m.
[Received November 11—11:25 p. m.]

309. Reference my 306, November 9, 10 a. m., and 307, November 10, noon.⁹ Lebanese Minister of Interior called on me this noon following call on Spears. He informed substantially as follows.

This morning protocol officer of French Delegation General telephoned Lebanese Premier and each of Ministers and, without giving reason or explanation, informed them that "the invitation extended you for tomorrow's Armistice Day military review is annulled".

Ministers immediately met with President of Republic¹⁰ who, although his invitation had not been annulled, decided without hesitation that he would not attend review.

[“]Government has formally charged me to inform you of foregoing and to inquire as to what your conduct, as diplomatic representative accredited to Lebanon, will be in the circumstances.

We are addressing ourselves in the same sense to the Belgian, Egyptian and Iraqi representatives as well. [”]

At this moment Spears telephoned me. I said my reaction to question was that we should not attend in person but that, in view of common Allied war effort and review being a strictly French military affair, I should wish Legation's Military Attaché and other American Army officers to attend. We had, I suggested, responsibilities both to Lebanese Government and to our French Allies.

Spears concurred saying that was exactly his view and one with which Minister of State Casey,¹¹ to whom he had just telephoned, was in full accord. Only his Military Attaché and representatives of Ninth Army would attend.

⁸ As telegrams Nos. 7055, 1705, and 266, respectively.

⁹ Latter not printed.

¹⁰ Beshara el-Khouri.

¹¹ Richard G. Casey, British Minister of State in the Middle East resident at Cairo.

I then raised question as to whether, in view of Lebanese approach to our diplomatic colleagues, it might not be well were we to have meeting of Diplomatic Corps to consider matter. He readily agreed, and meeting was held this afternoon.

Spears opened meeting by saying French withdrawal of invitations "great affront to country to which we are accredited" and that he believed "unity of action on our part to be highly desirable." In view of French action he did not see how we could possibly attend in person; he and I, however, believed representatives our military forces should attend as evidence of united Allied military effort.

There was agreement on this formula and each diplomat present was asked so to inform French Delegation. Gwynn¹⁵ has just returned from doing so. Chief of Delegation's diplomatic section with whom he spoke did not consider himself competent to discuss question but readily took note for communication to proper authorities of names of four American officers who will attend.

In extraneous discussion of Corps meeting both Spears and Iraqi colleague, Tahsin Qadri, expressed themselves seriously concerned at turn of events. Half hour earlier Lebanese Foreign Minister had informed Spears he had strong reason to believe Helleu would speak on radio Levant, possibly tonight, and announce "dissolution of Parliament and Government and his own assumption of personal rule".

Spears commented forcefully that Britain as well as Free French had guaranteed Syrian and Lebanese independence. French seemed now to be proving to whole world they had no intention of keeping their word. Britain to the contrary had every intention of doing so.

Qadri emphasized repeatedly that as expert in Arab affairs and well informed on temper of opinion both here and in Damascus and Baghdad, he viewed situation in "gravest possible manner". French were "playing with fire". He too had had report of Helleu's plans; if carried out "reaction in Arab world might be disastrous to Allied war effort in this theatre of operations". He planned "to tell French so as a friend".

British Counsellor, just returned from Damascus, confirmed that Government there is "very interested and solidly behind Lebanese position". He added information that Radio Levant, questioned by his office, admitted that Helleu might speak tomorrow night.

British Third Secretary later informed me Lebanese Foreign Minister had added as he left Spears' office that, were Helleu to carry out reported plan, Government would go at once to Serei [*Sérai*] (government offices) and remain there until ejected by force.

During meeting Spears had further telephone conversation with Casey. They agreed that, in event Helleu does not deny report

¹⁵ William M. Gwynn, Second Secretary at Beirut.

categorically, Spears would strongly insist that action be deferred until London should be informed and afforded opportunity to express its views at Algiers.

Repeated to Algiers.

WADSWORTH

890E.00/169 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, November 11, 1943—9 a. m.
[Received November 11—6: 42 a. m.]

2032. Due to interruptions of all means communications except military telephone Wadsworth at Beirut has requested that following message be sent urgently to Department :

“I am reliably informed that at 4:00 this morning French Marines and Senegalese troops arrested President of Republic and all members Lebanese Ministry; also that French General has signed unpublished decree appointing Edde President of Republic. Military review scheduled for this morning has been cancelled.[”]

KIRK

890E.00/170 : Telegram

The Diplomatic Agent and Consul General at Beirut (Wadsworth) to the Secretary of State

BEIRUT, November 11, 1943—noon.
[Received November 11—11 a. m.]

310. Reference my telephone message 6 a. m. through Cairo,¹⁴ United States AFIME¹⁵ headquarters. Please telegraph urgently if you are informed of situation here. I am drafting report but fear French will delay its transmission. Its highlights are :

Senegalese troops have taken city including establishment of strong cordons around Parliament and Government buildings. Angry crowds have gathered. Troops have shot at demonstrators. Latest reports say 5 killed 12 wounded; situation deteriorating rapidly.

British are intensely concerned. General Holmes¹⁶ is reported returning at once by air from Egypt.

Christian and Moslem civil and religious leaders have made bitter protest Spears, me and Iraqi Chargé d’Affaires, Tahsin Qadri.

Latter insists reactions will be “gravest conceivable throughout Arab world”. I concur. He asks prompt Allied intervention, as do Mufti, Maronite Archbishop and other leaders.

¹⁴ See telegram No. 2032 from the Minister in Egypt, *supra*.

¹⁵ Army Forces in the Middle East.

¹⁶ Lt. Gen. William George Holmes, Commander, British Ninth Army.

I cannot recommend recognition of Edde regime set up by French decree numbers 464 and 465 announced this morning and in parts oddly resembling numbers 129, 130 and 131 of last March (press [my?] despatch 76, April 2¹⁷) except that today's decrees begin by suspending Lebanese constitution instead of reestablishing it.

French may argue that technically March procedure constitutes accepted precedent for their action; but the background therefor is radically different, Constitutional Government having meanwhile been reestablished. Further, the similar *coup d'état* tactics now employed are far more brutal and I can perceive no proper or necessary ground for their use.

Should you make representations to Algiers, which from here appears to be desirable in interest of Middle East position of United Nations, I should appreciate being kept informed.

Repeated to Algiers, Baghdad and Cairo and London.

WADSWORTH

890E.00/171 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, November 11, 1943—7 p. m.

[Received November 12—9:04 a. m.]

2038. Afternoon press carries letter sent yesterday by Egyptian Prime Minister¹⁸ to delegate in Egypt of French Committee of National Liberation echoing strong reaction to [of] Egypt and Arab peoples as result of political developments in Lebanon. Nahas refers to previous discussions on subject with Catroux who had given impression of desiring reasonable and just solution but notes these good intentions not carried into effect, as evidenced by questionable tactics used in elections and unjustified French attitude in respect of revision of constitution of Lebanon of which independence was recognized by French and British and is of incontestable legality. Regarding citing of mandate as factor figuring in situation Nahas maintained mandate "disappeared in fact and in law on the day when the French and British Governments recognized the independence of Syria and the Lebanon. At that time they admitted that League of Nations was not functioning and that Syria and Lebanon could not await its problematical resurrection in order to ratify decision of French and British. If the mandate remained in force British and French had no right to declare independence and conversely by so doing they put end to mandate.[?]"

¹⁷ Not printed.

¹⁸ Mustapha Nahas Pasha.

Nahas said that by granting independence British and French were in accord with Atlantic Charter and principles of United Nations, that he did not doubt intention of British in that regard and did not desire to doubt those of French Committee. He added that he hoped situation was result of error which French would rectify in manner worthy of great French tradition.

Repeated to Beirut and Algiers.

KIRK

890E.00/183 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, November 11, 1943—8 p. m.
[Received November 13—2: 17 p. m.]

311. Supplementing my 310, November 11, noon. I was awakened half past 5 this morning to receive "urgent message" from French Delegation General protocol officer. He is French by nationality but of Lebanese origin. I have long known he deplores French Levant policy.

He had received orders to visit foreign representatives and religious dignitaries to inform them that Armistice Day military review was cancelled. Trembling he added "They have arrested the President and all the Ministers. French marines and Senegalese troops broke brutally into their houses. I have seen with my own eyes a decree signed by Helleu appointing Edde to the Presidency."

At this point a strongly nationalist Lebanese journalist arrived. His story: "French Sûreté agents called to arrest him; he escaped and ran to home of Interior Minister where he found cordon of Senegalese troops under French officer; servants said Minister had resisted and been brutally beaten."

At Legation building next door to my house, there was only Lebanese policeman on guard. Confusing switchboard plugs I found French central would give no communication. By private [line?] I called Military Attaché; then by special line to British military headquarters had myself put through to Cairo where, Legation not replying, I dictated to USAFIME headquarters message for transmission to you.

Meanwhile I had telephoned British officer on duty at area headquarters. He was unaware of developments but I have since learned that both British Legation and Ninth Army headquarters were early informed of arrests.

Breaking my narrative: Preceding evening Brigadier Hatton commanding Ninth Army in General Holmes' absence in Egypt after

dining with me had said he was so concerned at explosive possibilities of the situation he would urge General's immediate return. His orders were substantially as follows: If public security be threatened no British troops will be employed unless French territorial command is unable to maintain order and then specifically requests assistance; if employed they will operate only under British officers and primarily to protect communications, et cetera, of vital interest to Ninth Army operational command.

Resuming narrative: Before I was dressed British Military Attaché called to say Spears would like to see me and Iraqi Chargé d'Affaires. We arrived at British Legation residence shortly before 8:00.

There I found intense concern and activity. Spears had talked by phone with Casey in Cairo, and London was being urgently informed; the French were "quite mad" and "almost anything might happen"; Helleu was making address over Radio Levant at 8:00.

Spears was particularly incensed that Helleu had sat and talked with him an hour after impromptu dinner last night in British Legation in honor of King of Yugoslavia¹⁹ and had given his word of honor that French contemplated no action which might threaten public security. Not an inkling was given of what was to transpire during night.

Again breaking narrative: Word of King's prospective arrival, primarily to visit Yugoslavian battalion near Haifa under Ninth Army operational command, was received by British only after his airplane had left Cairo. Spears and Hatton hurried to airport, there found Helleu and galaxy of French generals and officials; King was to stay at French residency; arrangements for his security had been made by French. Incident further illustrates French non-cooperative uncommunicativeness.

Resuming narrative: At British Legation I found also Lebanese Vice President of Council Abi Chahla and Defense Minister Druze Emir Medgid Arslan; my early morning informant had erred in thinking all Ministers arrested. They in turn erred in believing a third colleague was still at liberty.

Abi Chahla made to us and later put in writing contention that under Lebanese constitution all executive power devolved upon him and arrested Ministers. Both Ministers protested bitterly against Helleu's "illegal and brutal acts" and "violation of our independence and constitution and of principles for which Allies are fighting"; intervention to reestablish constitution and free arrestees was urged.

It was an interested mixed group therefore which gathered before Spears' radio to hear Helleu broadcast and texts of new decrees.

¹⁹ King Peter II.

Comments were few during reading, their sense being that whole was strongly colored by unblushing hypocrisy.

Helleu's speech began:

"Hour has struck to end insensate maneuvers aimed only at depriving Lebanon of secular support of France, to subject it to dictatorship at whose hands it would have foundered—you would have despised France had she let things drift".

He then recounted political developments since Ministry had taken office, notably his declared intention to implement promised independence, his advice before leaving for Algiers that consideration of constitutional amendments should await his return and later warnings that such action was illegal, all left unheeded.

Then came strong attack against Premier Solh and Ministry which had encouraged "a tyranny on the street".

It was "a conspiracy against France". Could one keep illusions when hearing him called by German radio "the great chief"?

Finally he denied forcefully that France had not kept her promises, renewing, "solemn assurance of resolve to accord complete independence" through friendly negotiation and urging that people give proof of calm and remain deaf to excitements.

The first decree declared void Parliament's November 8th vote amending constitution, dissolved member of [*sic*] Chamber of Deputies, suspended constitution pending new elections, reestablished provisions for nominated third of Chamber and provided for French appointment of "Chief of State-Chief of Government" to exercise executive authority and, in Council of Ministers appointed by himself, to issue decrees having force of law.

Juridical bases for this decree cited in its preamble included notably articles 90 and 102 of constitution (i. e. chief of those abolished 3 days earlier by Chamber), Catroux's 1941 declaration of independence and Algiers' decision of November 5 that constitution might be amended only with French assent.

Preamble concluded:

"Lebanese President, Government and Parliament by their act of November 8 violated constitution, necessitating recourse to new elections".

Second decree named Emile Edde new chief executive. Department will recall he once held presidency and was 2 months ago French favored candidate for reelection. "Chief French stooge" was Spears' comment.

On Helleu's speech and decrees Tahsin Qadri commented "The French are quite mad". Emir Arslan asked "How can you expect me to control the Druzes?"

The ensuing conversation with Spears and Qadri former said he already had Casey's authority to lodge strong written protest. He reiterated indignation at Helleu's "perfidy", adding "for French to undertake act of this kind without any warning to Ninth Army is unthinkable if only on security grounds; and this under aegis by [of?] countries of Atlantic Charter which have recognized Lebanese independence; it is challenge to cause for which we are fighting".

He then asked if we wished to associate ourselves in protest. Britain he said had chief responsibility because it had "guaranteed" that independence "but we are all in the same boat"; there could be no doubt Helleu acted under instructions from Algiers where, he hoped, urgent representations would be made for restoration of constitution and release by arrestee [of *arrestees?*].

His final point was that no one should recognize any government named by Edde "not only stooge but also one called traitor by his colleagues where he quit the Chamber before its final note [*vote?*] for independence".

Qadri agreed, said he viewed French action as "directed against Allies and us", commented again "French are mad" and added "blood will flow before tomorrow unless British troops intervene".

I commented that French appeared to be using same *coup d'état* tactics as last March when ousting Naccache regime²⁰ but in a situation so changed, by reestablishment of constitutional regime, from that of 9 months ago that their use could not as then be condoned; I should consequently feel strongly hesitant to recommend recognition of Edde regime.

I added that, as British position here was special, as Spears had said, I felt it would be unwise for me to associate myself directly with his protest; I would however endeavor to see Helleu and report fully to my Government.

Here we were interrupted by series of reports on spreading demonstrations as word of French decisions circulated in the city. These were cited in my telegram under reference.

There followed visits from Maronite Archbishop and Mufti. Former called French action "*coup de folie* which may well lead country to revolution". He added "You who stand for Lebanese independence should meet force with force; I speak with voice of all Lebanese Christians when I say this *coup d'état* cannot be tolerated.

Mufti greeted me with "Are we slaves?" and I garnered following bits from his ensuing protest "This cannot be done. What is this constitution I protest strongly for all Moslems. We cannot let this bloodshed worsen. Reaction will be bitter and violent here and in all Arab countries and strongly prejudicial to United Nations' cause".

²⁰ See pp. 953 ff., *passim*.

Upon my return to Legation I found two further protests, one from speaker and six deputies who had installed themselves in Chamber before it was encircled by cordon of Senegalese troops. Informed of events of the night and prevented from lawfully meeting with their colleagues they protested to those countries which had recognized Lebanese independence and to sister Arab states.

Note: Shortly thereafter these deputies left Parliament under threat of forceful eviction but met again during afternoon in house of one of them with some 20 other deputies.

My second protest was from representatives of Plalange and Najjada, respectively leading Maronite and Moslem youth organizations. That these traditional rivals came as joint delegation illustrates unanimity of anti-French protest.

Later a representative delegation of nearly 100 doctors, lawyers, engineers and journalists visited Legation. Many among them were leaders in their professions and demonstrating for first time in their lives.

Tomorrow I am to see six foreign correspondents, four British and two American, flown here today in British plane from Cairo at Spears' suggestion.

There has been no further marked deterioration of public security during afternoon. Most shops remained closed. No crowds circulated, but there was little disorder beyond tearing down of French propaganda posters of de Gaulle. Largest crowd, perhaps 1,000, demonstrated at President's house where there was some shooting by Senegalese troops posted on neighboring roofs, two demonstrators who endeavored to enter house being shot in leg.

Lady Spears braved this fusillade and with President's wife, whom she found in terrified state, returned to British Legation amid demonstrators' applause. There are ugly tales of harsh and inconsiderate treatment by soldiery of member of President's family. American Legation automobile passing this crowd was also applauded.

British and American Army reports confirm general friendly attitude of populace toward two countries, but there is undercurrent of feeling that our declared principles are on trial. I sensed this too when receiving protests mentioned above.

A 6:30 curfew has cleared streets and on tour just made Legation Secretary found city "quiet as tomb" with few troops in evidence, only apparent evidence of disorder being half dozen still smouldering overturned French Army automobiles and as many uneffective barricades.

There are unconfirmed reports of tension accompanied by unimportant demonstrations in some provincial towns, notably Tripoli

where Moslem leader and Deputy Karami was also arrested during night. I have just learned that he and Minister were taken to Rashaya where, according to Helleu, they will be treated considerably, like gentlemen and not as criminals.

British Legation is concerned lest these arrestees and President (who is reported held elsewhere possibly Chtaura) be flown to French Africa; watch-out orders have been given British control authorities.

From British Legation I learn also that, having been unable to obtain appointment during morning to see Helleu, Spears sent him vigorous written protest against French action and methods and reserved liberty of action. Presumably because of reference therein to Helleu's misleading answers to Spears' questions of preceding evening, this note evoked acid reply which has led to near rupture between two Missions. Denying charge, reply said "My honor has no need of lessors [*lessons?*]".

At 6 p. m. I visited Helleu by appointment and will report conversation in following section.

Following are highlights of my conversation with Helleu, delayed in coding because of shortness of staff.

I said I had had day of report and rumor, protest and worry. He replied he had found painful need for drastic action.

I said it was not only situation in country that troubled me but also probable reactions in neighboring Arab states. He saw no basis for serious concern unless others fished in troubled waters.

In Algiers he had obtained really practical propositions to make to Levant states. In confidence these were: He was to say National Committee was now prepared to ratify 1936 treaties²¹ with minor modifications earlier suggested by states; then to negotiate for such transfer of common interests as exigencies of war might permit.

Note: This struck me as hypocrisy or ignorance, and latter seemed improbable; he must know for long Syria and now Lebanon would have nothing of treaties.

He insisted forcefully French policy was thus to accord independence to states; I had his "word of honor" for it.

He endeavored to explain, as in morning's radio broadcast, that National Committee had given Lebanese Government every chance to act reasonably but the latter had refused Committee's suggestion.

²¹ Franco-Syrian Treaty of Friendship and Alliance, signed at Damascus, December 22, 1936, and Franco-Lebanese Treaty of Friendship and Alliance, signed at Beirut, November 13, 1936. These treaties were never ratified by France. For texts, see France, Ministère des Affaires Étrangères, *Rapport à la Société des Nations sur la situation de la Syrie et du Liban (année 1936)*, pp. 201 and 229, respectively.

This offense to France, similarly ignoring his request for delay was slap in face. He had but returned these acts in kind.

Reverting to his reference to fishers in troubled waters I asked: "Frankly do you mean the British; and do French today generally believe British are endeavoring to oust them from Levant and take their [apparent omission]." He replied in substance: "They are, there can be no doubt, it is more than policy of man on the spot. Churchill and Eden²² have told Massigli²³ not to take Spears too seriously, that policy is determined only in London; but we know from long experience it is more than that."

Note: Never before have I had so clear authentic answer to this question. I believe it constitutes one of two basic motives prompting present French action; other being imperialistic desire to retain hold on country. I said reports on reactions in other Arab countries to last week's period of tension had been bad enough, up to [after?] today's events they would be more bitter; result might well be serious undermining of United Nations' position in Arab world. Should there not, as Spears suggests, have been prior consultations, between Allies? He replied he knew Spears was angry and "thinks I misled him by saying last evening that if anyone disturbed security it will not be I." He added "Could I tell him what had been prepared in greatest secrecy for me to do that night[?] There should be no serious trouble if no one intervenes."

I said reports of procedure of arrests, made in dead of night with seemingly intentional discourtesy and rough handling, were also troubling. He thought I would find reports exaggerated; there had been no lack of consideration for arrestees; they would be treated as gentlemen, not criminals.

I asked him to keep me informed of state of security. He agreed to do so. His reports were that during day only one person had been killed and two wounded, regretful though this was.

Note: American military tells me that while figures at time we talked were probably 5 killed and 20-odd wounded, extent of shooting (probably only some five to ten thousand shots) was relatively light.

Finally I urged him in interest of common war effort, to keep himself promptly informed on reactions in other Arab countries. He replied he held that effort in mind.

WADSWORTH

²² Anthony Eden, British Secretary of State for Foreign Affairs.

²³ René Massigli, in charge of foreign affairs for the French Committee of National Liberation.

890E.00/175 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, November 11, 1943—8 p. m.

[Received November 12—9: 14 a. m.]

2040. My 2038, November 11, 7 p. m. Following translation of telegram received today from Egyptian Prime Minister and Ministry for Foreign Affairs:

“In the name of the Egyptian Government I address to Your Excellency an energetic protest against the arbitrary action of the French Committee of National Liberation which has just ordered the arrest of the President of the Lebanese Republic, the Prime Minister and two Ministers. In addressing myself to the representative of the United States rampart of liberty and democracy I am convinced that the great power which is fighting for noble principles will exert itself to assure respect of the great Atlantic Charter to which the French Committee of National Liberation adhered. Its violation of the independence of the Lebanon is an act which cannot but arouse general condemnation and it will encounter in the United States I am sure a dolorous echo.”

I understand that protest also sent by Nahas to the British as military associates of Free French in occupation of Syria and Lebanon and co-guarantors of their independence. Third communication reported sent de Gaulle saying Egypt and all Arab peoples solidly behind Lebanese whom [*whose*] only wrong was to desire Independence Day; expressing astonishment that such an act could be committed by representatives of a France reputed as refuge of liberty; asking if such is the conduct to be expected of a France itself deprived of independence and liberty; asserting such violation of creed of United Nations is object of universal reproach; and concluding that if situation not remedied “Egypt will be led to consider its position vis-à-vis France in the light of events”.

Sent to the Department. Repeated to Beirut and Algiers.

KIRK

890E.00/176 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, November 11, 1943—9 p. m.

[Received November 12—2: 14 p. m.]

2041. My 2040, November 11, 8 p. m. The King²⁴ sent for me this afternoon and protested emphatically against the French action in the Lebanon. He said that as ruler of Egypt which had in the past

²⁴ King Farouk I.

striven for liberty and was seeking to strengthen its independence, he was profoundly shocked by the treatment of the Lebanese and was convinced that the repercussions throughout the Arab world would be extensive. If such methods and action were allowed, the prestige of the United Nations would be seriously impaired and faith in their declarations lost. He asked me to convey the foregoing to my Government.

The King added that he would have preferred to have allowed his personal delegation to the Lebanon to proceed as scheduled but as he feared that its arrival might aggravate the situation, he proposed to withhold it for the present in order to avoid additional complications which would harm the Allies and serve German interests.

I fully concur in the opinion that these events are thoroughly deplorable from the point of view of Allied prestige in the Middle East. The present crisis, however, cannot be judged solely on the basis of the defective French policy and methods in Syria and the Lebanon, for the problem of Anglo-French relations is also largely involved and in that it is necessary to consider the continued tortuousness of those relations in that area. An action on the part of our Government in the present crisis therefore must needs be predicated on the situation with which we are actually confronted without regard to the wisdom or folly of the parties to the development of that situation and based on the declared principle for which we stand.

Not repeated anywhere.

KIRK

890E.00/170 : Telegram

The Secretary of State to the Diplomatic Agent and Consul General at Beirut (Wadsworth)

WASHINGTON, November 12, 1943—10 p. m.

270. Department instructed Murphy, promptly upon receipt of your telephonic message via Cairo, to insist on immediate restoration full and free code communications. Your 310, November 11, noon subsequently came through without delay. Please confirm receipt of Department's 266, November 9,^{24a} repeating its 2096 to Algiers for Murphy. For your information Department is considering issuance disapproving public statement if response of French Committee is negative.

Sent to Beirut, repeated to London, Cairo, and Algiers.²⁵

HULL

^{24a} See footnote 8, p. 1009.

²⁵ As telegrams Nos. 7142, 1731, and 2136, respectively.

890E.00/170 : Telegram

The Secretary of State to the Diplomatic Agent and Consul General at Beirut (Wadsworth)

WASHINGTON, November 12, 1943—10 p. m.

269. You should have no official relations with Edde regime, as per your 310, November 11, noon.

Sent to Beirut. Repeated to London, Cairo and Algiers for Murphy.²⁶

HULL

890E.00/218a : Telegram

The Secretary of State to the Consul General at Algiers (Wiley)

WASHINGTON, November 12, 1943—midnight.

2139. (For Murphy.) Please urgently inform the French Committee of National Liberation that this Government has learned with surprise of the repressive action of the French authorities in the Lebanese Republic against the duly elected officials of that Republic. It is difficult to understand how the French, whose country is now groaning under the heel of the invader, can be unmindful of the aspirations toward independence of another people. The recent acts of the French authorities in the Lebanese Republic must cast the gravest doubt upon the sincerity of the avowed declarations of all the United Nations and this Government cannot permit itself to be associated in any way with such acts of repression. Unless therefore the French Committee of National Liberation takes prompt steps to restore the duly elected government of the Lebanese Republic and to implement the solemn promises of independence given to the Lebanese people in the name of the French National Committee in 1941, the Government of the United States will be obliged publicly to announce its complete disapproval of the acts of the French authorities in the Lebanese Republic and to take such further steps as may appear appropriate.

We would take such action only with the utmost reluctance but we feel that it would be less detrimental to the united war effort than for us by silence to appear to accept a situation which is contrary to the aims and principles for which the liberty-loving nations are fighting. Sent to Algiers. Repeated to Beirut, London, Cairo,²⁷ for information of appropriate authorities.

HULL

²⁶ As telegrams Nos. 7141, 1730, and 2135, respectively.

²⁷ As telegrams Nos. 272, 7154, and 1734, respectively.

890D.01/709

*President Roosevelt to the President of the Republic of Syria
(Kouatli)*²⁸

GREAT AND GOOD FRIEND: I have received with great pleasure your letter of August 17, 1943 (15 Chaaban 1362)²⁹ announcing to me your assumption of the Presidency of the Republic of Syria following your election to that high post by the National Assembly.

I can assure you that the Government of the United States and the American people are following with sympathy and attention the progress of the Syrian Republic and welcome the establishment of the new Government which you head. I am confident that the close ties which have so long existed between our two nations will be strengthened during your Presidency and that this country and its Allies can count on the whole-hearted support and cooperation of the Syrian people in the great struggle in which we are engaged.

Please accept my best wishes for the prosperity of the Republic of Syria and for your own health and happiness.

Your Good Friend,

FRANKLIN D. ROOSEVELT

WASHINGTON, November 12, 1943.

890E.00/197 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, November 13, 1943.

[Received November 13—9:56 a. m.]

2066. My 2041, November 11, 9 p. m. Casey has just informed me that he is leaving immediately for Beirut as situation in Lebanon appears to be deteriorating and he wants to be on spot to evaluate conflicting reports emanating from area. If use of force by French continues he is inclined to use British military to restore order. He expects to return to Cairo tomorrow.

Casey informs me that British Government has demanded of French the immediate removal of Helleu, the liberation of the imprisoned members of the Lebanese Government, and a conference in London. If these demands are not met, Anglo-French relations, he implied, may be endangered.

Sent to Department repeated to Beirut.

KIRK

²⁸ Transmitted by the Department to the Diplomatic Agent and Consul General at Beirut in instruction No. 92, November 16, for forwarding to the President of the Republic of Syria.

²⁹ *Ante*, p. 985.

890E.00/182: Telegram

The Chargé in Iraq (Gaudin) to the Secretary of State

BAGHDAD, November 13, 1943—noon.
[Received November 13—8:09 a. m.]

441. During a social call on Prime Minister Nuri yesterday he stated he was greatly disturbed at recent French action in Lebanon. He declared that unless rectified it would lower Anglo-American prestige in not only Near East but in all countries and will be considered an example of how British and Americans intend to live up to Atlantic Charter and other announced principles. Nuri is under impression constitutional amendments provided only for Arabic as official language and use of Lebanese flag. He believes an Anglo-French-American commission should be set up to handle security.

Government press and other informed opinion here is likewise disturbed and disappointed.

Repeated to Beirut, Jerusalem, Cairo.

GAUDIN

890E.00/187: Telegram

The Consul General at Algiers (Wiley) to the Secretary of State

ALGIERS, November 13, 1943—3 p. m.
[Received 10:25 p. m.]

1986. From Murphy [*Murphy's Office?*]. In absence of Murphy who is returning from Italy this evening and since Massigli was at an extraordinary session of the Committee of National Liberation which is to last most of the day Chapin⁸⁰ saw Meyrier and Guerin, the two Directors of Political Affairs and presented substance of Department's observations as contained in 2096, November 9 (first section of this telegram was not received until last night). Chapin added that further telegrams from Department were then being decoded and probably some further representations would be made [by?] Murphy on his return since the only instructions we had received were sent before the explosion in Beirut.

Meyrier, who took notes, promised to deliver the views of our Government to Massigli the moment he was free. He said that later reports from Beirut indicated that situation had quieted down and that Syria was entirely calm. He said that General Catroux was leaving by air today or tomorrow morning for Beirut.

⁸⁰ Selden Chapin, First Secretary of Embassy, on duty with the Personal Representative of the President in North Africa (Murphy).

Makins³¹ who has been in charge during Macmillan's absence stated he had been sent for last night by Massigli and de Gaulle who complained that the affair had been exaggerated, that recent election had been rigged by the British and that Spears had encouraged Lebanese to take action on the amendments to the constitution without waiting for French ratification. Makins had just received strong instructions from his Government which he proceeded to deliver. They were to the general effect, that, although Lebanese had given some provocation, the severity of French action was entirely unjustified, that the entire Near East had been greatly aroused to the point where a continuance of the disturbances might well affect the war effort and that British Government demanded that President and members of Lebanese Government and other political prisoners arrested by the French should be immediately released and restored to their positions. De Gaulle replied that if British Government should insist on this last stipulation and would not permit reinforcement of French forces in that area he would have to withdraw all French authority in that area and to let matters take their course. The conversation, although cordial, ended on that note.

WILEY

890E.00/184 : Telegram

The Chargé in Iraq (Gaudin) to the Secretary of State

BAGHDAD, November 13, 1943—6 p. m.
[Received November 13—3: 36 p. m.]

442. There follows the translation of a protest just received from the Palace in confirmation of a verbal protest made to me at noon today by the Acting Regent. I understand that he made a similar protest to the British Ambassador.

“Please convey to your Government in my name and in the name of the Iraqi Government our strong protest against the illegal activities which the French authorities have undertaken in the Lebanon by dissolving its constitutional Government, and arresting the President of the Republic and the head and members of the Government together with other members of the legal Parliament. We request the American Government to take the measures which it sees fit for returning the situation in the Lebanon to its legal course. We also request that French interferences in the Lebanon be stopped in accordance with the official promises which have been made in the name of the Allies for guaranteeing the independence of Syria and the Lebanon and in accordance with the provisions of the Atlantic Charter, as by

³¹ Roger M. Makins, Assistant to Harold Macmillan, British Minister Resident at the headquarters of the Supreme Allied Commander, at Algiers.

this action the French authorities have proved that they do not respect these pledges and pacts.”

The text of a resolution of protest passed today by the Chamber and Senate and to be addressed to the United Nations is not yet available.

Repeated to Beirut, Damascus, Cairo and Jerusalem.

GAUDIN

890E.00/188 : Telegram

The Consul General at Algiers (Wiley) to the Secretary of State

ALGIERS, November 13, 1943—6 p. m.

[Received 11:58 p. m.]

1990. From Murphy. I received your 2139, November 12, midnight, on my return from Italy this evening and promptly called on Massigli.

Macmillan, with whom I consulted prior to visiting Massigli, arranged to call on the latter immediately afterwards. Macmillan informed me of the instructions received from his Government and the written communication handed to Massigli last evening by Makins in which the British Government demanded the immediate release of the political prisoners arrested in the Lebanon. Before I communicated to Massigli the contents of your instruction under reference he outlined to me the French position which I shall summarize as follows:

The French National Committee of National Liberation, acting within the scope of its mandate, fully intends that action be taken to respect the duly elected government of the Lebanese Republic. Incident to Helleu's visit to Algiers he had been instructed to the effect that the French Committee desires to ratify the treaty of 1936, which had failed of ratification by the French Parliament. Before Helleu could return to Beirut the Lebanese authorities decided (Massigli intimated that very possibly the action was inspired by Spears) by unilateral action to vitiate the mandate. The French insist that this is irregular in violation of their mandate and, if countenanced, seriously damaging their prestige. Massigli emphasized at this point that his associates, while deploring the hasty and ill-advised acts of violence, nevertheless, believe that they have been jockeyed into a position which is not at all in accord with their intention.

Helleu, according to Massigli, ordered the police action on his own initiative without prior consultation with the Committee. As soon as news of the action was received in Algiers it was decided to despatch

Catroux to Beirut to negotiate a peaceful settlement. He leaves early Sunday morning.

Massigli also stated that Helleu, whose judgement apparently he does not rate highly, would be quietly shelved and that the political prisoners would be released.

However, it is his opinion that unless the French position looking to settlement of the mandate question by negotiation and bi-lateral action is acceptable that the Committee would decide to withdraw its authority and forces from the area as indicated in Chapin's telegram No. 1986, November 13, 3 p. m.

Summing up Massigli insisted that the French Committee definitely respects the Government of the Lebanese Republic and proposes its complete and early independence to be arrived at in accordance with the terms of the mandate for which the Committee considers itself responsible.

Massigli also complained that the Cairo and Jerusalem radio stations have grossly exaggerated and misrepresented the entire affair. He denied especially a report that the Lebanese officials were seized by Senegalese troops.

I then communicated to Massigli the substance of your present instruction.

Macmillan feels as I do that Massigli is doing his utmost to arrive at a prompt solution which will satisfy the points made in your present telegram.

Sent to Department. Repeated to Beirut, London and Cairo. [Murphy.]

WILEY

890E.00/176 : Telegram

The Secretary of State to the Minister in Egypt (Kirk)

WASHINGTON, November 13, 1943—8 p. m.

1741. Please reply to the telegram from the Egyptian Prime Minister and Ministry for Foreign Affairs quoted in your 2040, November 11, 8 p. m. stating that this Government has welcomed this expression of the views of the Egyptian Government and informing them of the substance of this Government's representations to the French National Committee as set forth in the Department's recent telegrams to Algiers and Beirut, repeated to you in Department's 1705, November 9, midnight; 1731, November 12, 10 p. m.; and 1734, November 12, midnight.³²

³² See footnote 8, p. 1009; footnote 25, p. 1021; and footnote 27, p. 1022, respectively.

Your 2041, November 11, 9 p. m. Please make similar communication to King.

Sent to Cairo. Repeated to London, Algiers and Beirut.³³

HULL

890E.00/189 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, November 13, 1943—8 p. m.
[Received November 13—5:35 p. m.]

7928. Department's 7154, November 12, midnight.³⁴ Instructions conveyed to Murphy were indicated to the Foreign Office today which expressed satisfaction at the Department's vigorous attitude. Foreign Office showed us copies of their messages to Algiers and said that they had been communicated to the British Embassy in Washington with instructions to inform the Department of their contents.

The Foreign Office takes a very gloomy view of the Lebanese situation; not only because Lebanon is a military theater, but also because of the potential reaction throughout the Arab states.

In connection with this latter point, the Foreign Office said that the Egyptian Government's sensible attitude is highly satisfactory. Telegrams to Nahas Pasha and Nuri Pasha giving the British position in the Lebanese matter, which have not had final approval in the Foreign Office, are expected to be sent this evening. The Foreign Office describes the action taken by the Lebanese Parliament as precipitate and foolish, but it can find no excuse for the violence of the French action. The Foreign Office said that it had been its endeavor for a number of years to persuade the French to lighten their hand and give Syria an independence equal to that of Iraq. It had frequently been held out to the French that no serious steps had been taken by them to grant such independence which was within the meaning of the French mandate over the area.

The Foreign Office stated that the situation as described by Spears is considerably more dangerous than that as obtained by the War Office from its sources. The use of British troops to restore order is not desired if it can possibly be withheld, and instructions to this effect have been sent to the Middle East Command.

WINANT

³³ As telegrams Nos. 7197, 2154, and 275, respectively.

³⁴ See footnote 27, p. 1022.

890E.00/275

Memorandum of Conversation, by the Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] November 13, 1943.

Mr. Hayter³⁵ called to inform the Department of the steps which the British Government had taken in regard to the situation in the Lebanese Republic.

On the morning of November 11 Mr. Casey, the British Minister of State at Cairo, was informed that the British Government considered that the military situation demanded that order be kept in the Lebanon. If necessary, British forces were to intervene to maintain order. Mr. Casey was to inform the French, the Lebanese and the Syrians that the British could not tolerate disorders during the war. He was to suggest that the French come to a *modus vivendi* with the Lebanese and with the Syrians and suggest that a conference might be in order, to be attended by representatives of France, the Lebanon, Syria, the United Kingdom and the United States. Such a conference might assist in drawing up a provisional arrangement between France and the Levant States.

Mr. Macmillan at Algiers and Mr. Spears, the British Minister at Beirut, were to take action in accordance with the foregoing.

Later in the day the Foreign Office learned of the action taken by M. Helleu in arresting Lebanese officials. Thereupon further instructions were sent to Mr. Casey. These instructions, which were to be carried out by Mr. Macmillan at Algiers, were to urge the withdrawal of M. Helleu and the release of the Lebanese officials who had been arrested. The view was expressed that the Lebanese Chamber should continue in suspension until calm had been restored but that it should be permitted to reassemble at the earliest possible date. Authority was given for the use of British forces to maintain order.

At the same time, Mr. Macmillan was instructed to point out the deplorable effect which the French *coup d'état* had had in London.

On the following day, November 12, two telegrams were sent to Mr. Casey for action by Mr. Macmillan at Algiers. The first of these telegrams pointed out that the situation in the Lebanon had grown worse and worse and the French action more and more outrageous. As a result, excitement was growing throughout the entire Middle Eastern area. In the opinion of the Foreign Office, the French actions were wholly indefensible. The Foreign Office therefore urged compliance forthwith with the demand that M. Helleu be removed and the Lebanese politicians released. Mr. Macmillan was instructed to say that unless immediate satisfaction was received on these points, the

³⁵ W. G. Hayter, First Secretary of the British Embassy.

British Government would take a line which could only be displeasing to the French.

Subsequently on November 12 further instructions were sent to Mr. Casey and Mr. Macmillan, pointing out that the British Cabinet had endorsed the above-mentioned demands and desired Mr. Macmillan to make clear to the French Committee of Liberation that future British relations with that Committee depended upon the readiness of the French to grant satisfaction on these demands.

890E.00/201 : Telegram

The Consul General at Algiers (Wiley) to the Secretary of State

ALGIERS, November 14, 1943—9 p. m.

[Received November 15—2 a. m.]

1998. From Murphy. Sent to Department, repeated to London, Cairo, Beirut.

Massigli called this morning with reference to our yesterday's conversation (see my 1990). I had confirmed our conversation by letter in which I conveyed to him communication as instructed by your 2139, November 12. Massigli asked whether Department would be willing to reconsider the second sentence of communication which Massigli affirms works great injustice to French authorities. It reads "It is difficult to understand how French whose country is now groaning under heel of the invader can be unmindful of the aspirations toward independence of another people".

I advised him I had no discretion in the matter but would refer question to Department.³⁸

General Catroux departed early this morning for Cairo and Beirut. [Murphy.]

WILEY

890E.00/207 : Telegram

The Diplomatic Agent and Consul General at Beirut (Wadsworth) to the Secretary of State

BEIRUT, November 14, 1943—9 p. m.

[Received November 15—5 : 34 p. m.]

314. Refer last paragraph my 313, November 13, 11 p. m.³⁹ I saw Casey very briefly this morning at his request. He said that he had seen number of representative leaders, talked at length with his own people and made up his mind: Local situation was full of explosive

³⁸ See telegram No. 4, November 25, 9 p. m., to Algiers, p. 1048.

³⁹ Not printed.

possibilities, might go from bad to worse, end up in full revolt; arrested Lebanese politicians would have to be released, Constitution and Parliament restored since our position in Middle East required it.

He said he would return to Cairo by air today, see Catroux there this evening and send latter here in his plane tomorrow morning. He believed 48 hours should be sufficient for Catroux with good will to clear up situation. If he did not, British would have to take [steps?], probably occupying chief urban centers of Beirut, Sidon and Tripoli, or perhaps by proclamation full martial law throughout country. On latter point no decision has been taken.

I said that before commenting on situation I wished he would read Department's latest instructions to Murphy. I showed him your 272, November 12, midnight.⁴⁰ He read it with interest, commented it should be very helpful.

I then said that with such instructions in hand, I believed Spears and I could go to Arab leaders here, and by putting our cards frankly on table, obtain their ready and willing undertaking that there would be no insurrection. We should counsel patience, say wheels of diplomacy necessarily grind slowly.

I believe consequently that demonstrations could be kept "peaceful" except for isolated incidents. I added that if for instance, present quick-triggered French military patrols were replaced by British or mixed Allied military police, I thought there would be practically no serious disturbances of public security incited by native leaders.

He replied that this was interesting but in manner which suggested he had already made up his mind on need for British military intervention.

I suggested it might be desirable to have in mind even now at least some tentative outline of diplomatic formula for settlement. After brief discussion we reached something close to the following: Reestablishment of *status quo ante* November 11, with setting up of Allied Commission to negotiate with Syrian and Lebanese Governments for program which would insure progressive transfer to those Governments of all powers now retained by Fighting French further retention of which, by them or other Allied authorities, is not necessitated by conditions of war.

I explained that, by saying "Allied Commission" I had in mind that, by their actions on and since November 11, French had forfeited any claim they may have had to act in this matter exclusively for the Allies.

Finally, I asked if he believed new relationships with French and local governments would be worked out here with Catroux or whether, as others suggested, there should be conference in London. He was

⁴⁰ See footnote 27, p. 1022.

definite in reply that latter should be venue and Massigli himself required to represent Algiers Committee.

Repeated to London, Algiers, Cairo, Baghdad and Jidda.

WADSWORTH

890E.00/211 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, November 15, 1943—1 p. m.

[Received 7:55 p. m.]

2086. Department's 1741, November 13, 8 p. m. I saw Nahas last night and informed him in sense of Department's telegram under reference. Nahas was obviously delighted to receive information and was profuse in thanks. I emphasized to both him and Under Secretary of Foreign Office that information was for background only and not for public announcement or publication and both expressed understanding and agreement.

Aside from Nahas' reiteration of firm attitude regarding Lebanon in yesterday's Wafd⁴¹ Jubilee speech only local developments have been arrival of Catroux here yesterday en route Beirut and appeal made by Nahas last night asking population to desist from demonstrations in order to avoid regrettable incidents and to leave to him handling of Lebanese question. Appeal was made after noisy, but as far as is known, not serious student demonstrations here yesterday including unruly scene in front of French Delegation which today being protected by riot squad. Consul in Alexandria, however, reports more serious disorders there yesterday with number of French shops smashed and incidental acts of hooliganism resulting in damage to other than French property. Consul adds that in view of apathy of Egyptian police British military police had to intervene yesterday but that local authorities apparently taking firmer hand today.

Sent to Department, repeated to Algiers and Beirut.

KIRK

890E.00/213 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, November 15, 1943—1 p. m.

[Received November 16—8:54 p. m.]

2095. My 2086, November 15, 1 p. m. In absence of King from Cairo I communicated to him today through the First Chamberlain

⁴¹ Egyptian political party of which Nahas Pasha was the head, traditionally occupying a strong nationalist position.

the same information regarding the attitude of the American Government on the Lebanese crisis which I conveyed to Nahas Pasha last night.

KIRK

890E.00/216 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, November 16, 1943—9 a. m.

[Received 10:14 p. m.]

2096. My 2066, November 13, 3 p. m. Casey upon his return from Beirut informs me that he considers the situation extremely serious in the Lebanon and is advocating the use of British troops in case of emergency and a notification to the French that Wednesday is the time limit for compliance with British demands, especially the stipulation as to the release of the members of Lebanese Government. He had a conference with Catroux this morning who rehearsed at length the French thesis and complaints including alleged British political machination in the Levant States. As Catroux gave the impression that he did not consider speed of the essence in dealing with the present crisis and expressed the hope that his hand would not be forced, Casey told him that he considered any delay as not only jeopardizing Anglo-French relations but endangering further the situation in the Lebanon which might gravely deteriorate any moment. Catroux is expected to leave for Beirut this afternoon or tomorrow morning.

Repeated to Beirut and Algiers.

KIRK

890E.00/217 : Telegram

The Diplomatic Agent and Consul General at Beirut (Wadsworth) to the Secretary of State

BEIRUT, November 17, 1943—1 p. m.

[Received 7:15 p. m.]

316. Farrell⁴² now in Beirut reports following chronology of Damascus reactions and events arising from Franco-Lebanese crisis.

First publication of *Algies Communice* and Lebanese response thereto occurred in Damascene press November 6. There was no immediate reaction either among public or in Parliament which was sitting that afternoon and evening.

Premier whom I saw that evening November 7 did not appear alarmed at situation and seemed optimistic that Helleu would return from Algiers with suitable solution. Looking back, this attitude

⁴² William S. Farrell, Second Secretary at Damascus, and Chargé in the absence of the Diplomatic Agent (Wadsworth) who was in residence at Beirut.

seems well to have characterized Syrian opinion until crystallized by November 11 events.

Incidentally Premier seemed more concerned at Egyptian *Ahram* news item of November 5 reproducing Willkie's and Dewey's⁴³ declarations advocating opening of Palestine to Jewish immigration.

November 8 all quiet. Iraqi Chargé d'Affaires presenting letter of credence to Syrian Foreign Office. On morrow press editorialized on "Sagesse Syrienne," hinting contrast to Lebanese imprudence.

November 10 I saw Foreign Minister Mardam. Although reflecting Premier's attitude, he seemed more keenly interested, having returned from consultations in Beirut, and inquired concerning likely U.S. attitude to French Levant policy if situation worsened. He commented that at Cairo Arab union talks solidarity of viewpoint was achieved.

Early morning November 11 telephone calls from French Delegation informed foreign representatives of cancellation of Damascus Armistice Day parade. Rumors of Lebanese events reached us in mid-morning but French imposed obstructive telephone service and neither Legation nor British Consulate could contact Beirut.

First approximately accurate news was vouchsafed by arrival courier toward noon. Damascus Moslem, American-educated Deputy Sharabati called to say that public feeling now ran high, with majority of deputies inclined to cede to public pressure for immediate demonstrations.

President and Cabinet, he said, succeed in circumventing manifestations by argument that Syria now possesses its own government which should handle these problems; there was moreover wide speculation concerning American and British reaction; would our policies toward French in Levant in last analysis let Syrians down were they to manifest solidarity with Lebanese.

Friday 12th passed quietly except for noonday mosque ferment, and that evening dining at Sharabati's house I learned of prospective midnight arrival of Lebanese parliamentary delegation referred to in Beirut Legation's current telegrams. I was also told Damascus deputies and elements of populace desired specially to synchronize demonstrations with those expected to break out in Moslem Lebanese towns of Sidon and Tripoli.

November 13 evening witnessed orderly protest closing of Damascus shops and bazaar area. No French armed force was in sight and order was easily maintained by Syrian police. Delegation of 1,000 Damascus students demonstrated at Legation and before friendly Consulates. Five student spokesmen presented written protest condemning France's acts in Lebanon adducing Atlantic Charter. I shook hands

⁴³ Wendell L. Willkie, Republican nominee for President in 1940, and Thomas E. Dewey, Governor of New York.

with them on balcony to cheers of crowd. Shouts for Arab Lebanon were most frequent. No religious issue was voiced. Prominently waved was impromptu version of Lebanese flag abolishing France's vertical striped tri-color for horizontal striped Syrian colors with three red Lebanon cedars replacing Syrian stars.

My translated reply that protests would be reported to American Government; that though Allies were busily engaged fighting war they would surely not fail to examine Lebanon's case sympathetically; and conclusion that Allies are out to win this war elicited some cheers for Allied victory.

Meanwhile Foreign Minister had invited me to call. He handed me copy of note of even date to French Ambassador Helleu (so termed rather than Delegate General) expressing Syrian Government's protest against French action yet making no demand for redress. On contrary note restrainedly states Syrian Government finds itself obliged to "accept with imposed reserve new situation created in Lebanon".

Mardam again voiced interest as to American attitude and expressed hope that this time Catroux, soon to arrive from Algiers, would bring equitable solution. Sense of Department's 272, November 12, midnight⁴⁴ quoting instructions to Algiers will be communicated to him on my return to Damascus. Please instruct Damascus direct in Brown Code if he may be shown full text. Shops remained closed in demonstration on Sunday but Monday many opened at behest of President. This is confirmed by Egyptian Chargé d'Affaires who interviewed Syrian Prime Minister Monday. He adds that French have assured Syrian Government they will attempt nothing in Syria and will make any reasonable concessions to Syrian demands.

President, Premier and Foreign Minister seem thus to take less outraged and uncompromising attitude than Syrian Parliament and public. They realize that their compatriots unlike the Lebanese, can easily get out of hand with ensuing bloodshed and unpredictable results. They wish to avoid this at all costs, feeling they can handle French diplomatically, so long as methods short of violence are used; believing that should violence occur French would be obliged to request British assistance. They want no clash with Ninth Army.

Syrian Parliament met 4 p. m. November 15 and whole session was devoted to Franco-Lebanese crisis. Government's attitude was calm while Parliament stormed, with added excitement from visitors' gallery. Mardam ended session with speech again urging calm and bespeaking confidence in Government.

Repeated London, Baghdad, Cairo, Algiers and Jidda.

WADSWORTH

⁴⁴ See footnote 27, p. 1022.

890E.00/184 : Telegram

The Secretary of State to the Chargé in Iraq (Gaudin)

WASHINGTON, November 18, 1943—2 p. m.

230. Please inform Acting Regent and Prime Minister that this Government has welcomed the expression of their views on the Lebanese crisis reported in your 441, November 13, noon and 442, November 13, 6 p. m. You may assure them that this Government promptly and firmly expressed to the French Committee of National Liberation at Algiers its complete disapproval of the repressive acts of the French authorities at Beirut and its expectation that the Committee would take prompt steps to restore the duly elected Government of the Lebanese Republic and to implement the solemn promises of independence given to the Lebanese people in the name of the French National Committee in 1941.

Sent to Baghdad. Repeated to Cairo and Beirut.

HULL

890E.00/221 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, November 18, 1943—7 p. m.

[Received November 18—6:10 p. m.]

8050. The Foreign Office is disturbed that no clarification of the Lebanese situation has yet appeared. The British Government does not have in mind an immediate return to the *status quo ante* but it does insist on immediate release of the arrested members of the Lebanese Government. This does not mean their resumption at once of authority. The British Government does not feel that a complete return to the former situation would have a calming effect; in fact, the Foreign Office is of the opinion that the hotheads in the Government would incite the Lebanese deputies to further aggravations against the French. What the British Government apparently contemplates is a *modus vivendi* to carry the Lebanon through the war period. This would mean concession by the French of a number of the powers which they have retained and which are entirely unnecessary in the conduct of the war. Nevertheless, certain powers would be retained by the French for obvious reasons. These are security, communications, control of the frontiers, and certain economic powers. Although final approval has not been given by the British Cabinet, if such approval is conceded it is the intention of the British to convey this suggestion to Catroux. It is understood that Casey may fly to Beirut, and, if some settlement has not been reached by Sunday, the

British will declare martial law in the Lebanon, but it is their wish to avoid this if possible. (The Foreign Office stated that the Department had already been informed of this possibility.)

In conclusion, the Foreign Office stated they are just as anxious to avoid misunderstandings and further difficulties with the French over this affair as they are to keep the Arab states from boiling over in indignation because of the French behavior in the Lebanon.

Repeated to Algiers, Beirut and Cairo.

WINANT

890E.00/210: Telegram

The Secretary of State to the Diplomatic Agent and Consul General at Beirut (Wadsworth)

WASHINGTON, November 19, 1943—10 p. m.

280. Department fully approves decision reported in your 315, November 15, 9 p. m.⁴⁵ against participation of United States Military Police in any security patrols. Such American military personnel should be employed solely for protection of American lives and property. War Department concurs in foregoing.

In view of British military responsibility in area and of British commitments to which this Government is not a party, the British should take the initiative in any action which might be necessitated by French failure to meet the British or our own demands, or by undue delay in doing so. The Department would give careful consideration to a request from the French or British or both for American participation in a settlement, including membership in an "Allied Commission" of the type suggested in your 314, November 14, 9 p. m., but this Government is not prepared to take the lead in this respect, or to assume any new military responsibilities in this connection.

HULL

890E.00/270

Memorandum by the Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] November 19, 1943.

Mr. Hayter, First Secretary of the British Embassy, telephoned to me today with further reference to the Lebanese situation. He said that the hour of 10 a. m. Sunday, which had been set as the time limit for French action on the British demands, had now been

⁴⁵ Not printed.

postponed to 10 a. m. Monday. If by that hour the French have not acted, British martial law will be declared in the Lebanon.

PAUL H. ALLING

890E.00/235 : Telegram

The Minister in Egypt (Kirk) to the Secretary of State

CAIRO, November 20, 1943—7 a. m.

[Received 7:50 a. m.]

2128. My voluntary comment on London's 8050, November 18, 7 p. m., repeated here is that the expedient apparently under consideration is immoral in concept and pernicious in effect.

KIRK

890E.00/244 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, November 20, 1943—9 p. m.

[Received November 20—8 p. m.]

8136. For Secretary and Under Secretary. The Committee at Algiers and Catroux have been informed that unless the French reinstate the duly elected Lebanese Government by Monday, November 22, 10 a. m., the British will declare martial law in the Lebanon. Opinion has somewhat changed in the Foreign Office regarding the restoration of the arrested Ministers to authority. It is now felt that the Lebanese Government should resume its functions as soon as practicable and it is believed that the Lebanese Ministers will realize that they should in future act less abruptly. The British suggestions regarding a *modus operandi* have been conveyed to the Committee at Algiers and to Catroux and the Foreign Office feels that eventually the Committee will become aware that they must find a way to mollify the Lebanese people.

The proclamation of martial law, if necessary, would be a step taken with extreme reluctance. The Foreign Office says emphatically that the British are not playing politics in the Middle East and that their sole aim is to preserve order. The situation in the Lebanon, according to the Foreign Office, has somewhat deteriorated; there have been riots in Cairo and there is fear of trouble in Palestine. The Foreign Office said that if a major political crisis should arise in the area it would mean the immobilization of Allied troops to enforce order; this is certainly not desired.

WINANT

890E.00/217 : Telegram

The Secretary of State to the Chargé at Damascus (Farrell)

WASHINGTON, November 20, 1943—9 p. m.

5. Please inform Syrian authorities, replying to your query in Beirut's 316, November 17, 1 p. m., that this Government promptly and firmly expressed to the French Committee of National Liberation at Algiers its complete disapproval of the repressive acts of the French authorities in Lebanon and its expectation that the Committee would take prompt steps to restore the duly elected Government of the Lebanese Republic and to implement the solemn promises of independence given to the Lebanese people in 1941 in the name of the French National Committee.

HULL

890E.00/221 : Telegram

The Secretary of State to the Ambassador in the United Kingdom (Winant)

WASHINGTON, November 20, 1943—midnight.

7373. It would appear from your 8050, November 18, 7 p. m. that in spite of the action of the British and American Governments in welcoming the recent establishment of an elected Government in the Lebanon, the Foreign Office is contemplating a solution of the Lebanese situation which does not call for the restoration of the duly elected Lebanese Government and Parliament.

This is directly contrary to the understanding of the British position we have received from the British Embassy here, which informs us that Macmillan was specifically instructed on November 13 that in demanding the release of the arrested Lebanese personalities, the British Government intended that they should be released not as private persons but as President and Ministers, whereupon they would automatically resume their official status.

Please clarify immediately.

Sent to London. Repeated to Cairo, Beirut and Algiers for Murphy.⁴⁶

HULL

890E.00/242 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, November 21, 1943—5 p. m.

[Received November 21—2:52 p. m.]

8145. Your 7373, November 20, midnight. As indicated in Embassy's 8136, November 20, 9 p. m., Foreign Office opinion had changed

⁴⁶ As telegrams Nos. 1790, 284, and 2223, respectively.

and the restoration of the arrested Ministers to authority was contemplated. We have confirmed that instructions were sent to Macmillan to the effect that he should demand the release of the arrested Lebanese personalities and their restoration to their official status.

Foreign Office has just told Embassy that some progress has been made. The French have agreed to dismiss Helleu [apparent omission] and to release [apparent omission] however they are not prepared to reinstate the Ministers but maybe they would be willing to restore the President to authority. The Foreign Office says that negotiations are going on "hammer and tongs." Due to delays in communication, particularly between Catroux and Algiers, the time for the declaration of martial law has been postponed until 10 a. m., Wednesday, November 24.

Repeated to Cairo, Beirut and Algiers.

WINANT

890E.00/255 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, November 22, 1943—5 p. m.
[Received November 23—3:50 p. m.]

327. Lebanese situation has, of course, radically changed since despatch yesterday of my 326, November 21, 11 a. m.⁴⁷

At noon I saw Catroux who spoke frankly of British ultimatum and of what his actions would be were it to be enforced by declaration scheduled for this morning of British martial law; but he was most reserved when I asked what line French action might be expected to take were Algiers to yield to ultimatum. The whole affair reminded him of Fashoda.⁴⁸

He did not believe de Gaulle would yield but he still hopes some sort of compromise could be worked out at Algiers or London which would give him more time to work out local solution. Failing this he would, on British military taking over country, have to withdraw all French troops and all French civilians in official or public services placed under British control; for them to remain would be "too humiliating".

He insisted (and by implication Algiers Committee) had not known in advance of "Helleu's ill-considered action"; had he himself been in charge he would have simply issued decree declaring Chamber's action

⁴⁷ Not printed.

⁴⁸ Crisis in relations between France and Great Britain in 1898 when the French established a military post at Fashoda on the Nile River in territory claimed by Great Britain for Egypt.

in amending constitution to be "illegal, null and void" and would then have negotiated for solution of problem.

Suspension of constitution he added, was "prime stupidity"; this required ratification as did unnecessary detention of President and Ministers; he had already decided to release latter before receiving British ultimatum; in fact he had had President brought to see him last Thursday and Premier last Friday.

I stressed that our overriding interest in matter was united war effort and that restoration of duly elected Parliament and officials appeared to be only effective way of maintaining confidence of Lebanon, Middle East and our smaller Allies in our *bona fides*.

Later in day Syrian Foreign Minister called to assure me only restoration of *status quo ante* would satisfy Syrian Government, Parliament and people. If this be not done, he said, there will be more and far more serious trouble in Syria. As to future negotiations he said that Algiers' "liberal" offer to ratify 1936 treaties, even with modifications and transfer of common interests, was unacceptable; Government in either [*neither?*] Levant state would hold Parliamentary confidence were it to propose solution on basis of such treaties or of continuance of exercise of mandatory authority by Algiers Committee.

Other callers representative of local thought whom I had asked to talk with George Allen⁴⁹ (here for 1-day visit en route Cairo) supported this view and it was confirmed by formal note from Abi Shahlah "government". Latter communicated and stressed seriousness of considered vote of Parliament that country "is on verge of revolution" and that only solution for this dangerous crisis is "return to constitutional life of November 10".

Late in afternoon General Holmes called to discuss situation and renew his expression of serious concern at interference with war effort which would be entailed were Ninth Army to have to declare martial law and assume responsibility for Government and internal security of country. . . .

Shortly before 8 p. m. first word of Algiers yielding was flashed in Arabic broadcasts from Palestine and London. Its lack of detail mattered not; in 10 minutes perhaps half Beirut was in streets cheering "Long live Sheikh Beshara,⁵⁰ down with Edde, three cheers for constitution, independence Riad Solh"⁵¹

But as evening passed and wiser heads heard broadcast details (that while President and Ministers were to be released, only former was to

⁴⁹ Assistant Chief, Division of Near Eastern Affairs.

⁵⁰ Beshara el-Khouri, President of the Republic of Lebanon.

⁵¹ Riad es-Solh, Lebanese Prime Minister.

be reinstated) ardor dampened and rump decisions were taken that general strike and protest would be maintained pending full restoration of *status quos ante*.

Shortly before first broadcast Spears received telegram from London saying ultimatum time limit had been extended 48 hours. He had replied by vigorous protest, warning again that local situation was highly explosive.

At 10 p. m. Spears saw Catroux who, according to British Legation, said Algiers communiqués had been issued without his knowledge; he expected to release detainees, probably next day; President would be reinstated, decision as to others had not been taken; Helleu's decrees of November 10 (see section 3, my 311, November 11, 8 p. m.⁵²) would be rescinded so soon as Helleu left country; detailed instructions were still awaited.

Crowds gathered again early this morning. President and Ministers had not returned to their homes; there were angry mutterings. Deputies who had assembled at Premier's home were carried to Parliament by crowd of several thousand; French troops stood aside; Lebanese *gendarmerie* made them welcome; they took one provisional decision, that should their cause be won this date would henceforth be celebrated as Lebanon's Independence Day.

Day before Abi Shahla Government had ruled provisionally that Lebanese flag (perpendicularly striped French with green cedar on white band) should henceforth be horizontal broad white striped bearing cedar between half red stripes. Crowd leaders lowered old flag on Government Building and municipality and raised new flag thereon and over Parliament and Presidency.

Executive committees of Lebanese National Congress and Women's Federation met and took decisions that Algiers' decisions did not meet national aspirations. Delegations called on Legation; scene resembled that of November 12 (see section 1 my 313, November 13, 11 p. m.⁵³) but no French troops arrived to mar their orderly protests. I am told that as of preceding evening Catroux's directive was that orderly demonstration[s] were not to be molested.

Word circulated that President and Ministers would be brought from Rashaya prison about 12 p. m. Hour was exact; more thousands cheered arrival at President's house. Shortly thereafter a Minister announced Catroux would call, that Arab hospitality prescribed "the guest is always welcome", that if crowd could not cheer him it should remain silent. It did.

Hour later amid cheers of crowd Premier showed Catroux to his car. Deputies foregathered to be informed that Catroux had said

⁵² Section 3 begins with paragraph reading "Abi Chahla made to us . . .", p. 1014.

⁵³ Not printed.

in substance: "I sincerely regret this incident. Helleu was personally responsible; he is leaving for Algiers tomorrow morning. Thereupon decree will be published rescinding those he issued; *status quo ante* will thus be reestablished."

Ensuing discussion led to decision that official restoration will take place Wednesday morning; tomorrow Ministers will arrange unofficially for its celebration by all the nation. Meanwhile general strike will continue, to be ended Wednesday by Presidential manifesto calling for resumption of normal life.

All this was told me by special messenger sent by President with assurance of his and Government's highest appreciation of American support and aid. He returned with my warmest personal congratulations to President and Government. I added I felt certain I spoke as well for my Government. I asked if I might call in person; half hour later appointment for tomorrow morning was made.

I should be grateful if Department would send me urgently some special message to deliver on Wednesday morning.

WADSWORTH

890E.00/249 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, November 22, 1943—6 p. m.

[Received 9:04 p. m.]

8157. Reference Embassy's 8145, November 21, 5 p. m. A discussion with the Foreign Office on the Lebanon has brought forth the following points:

Although the situation has become somewhat better because of the release of the President and the Ministers, the Foreign Office believes that the situation is still potentially dangerous. Should the Ministers not be reinstated, they would presumably remain at liberty and might very well incite the populace to further disturbances. Should they be reinstated, however, without any understanding with them, they might again take measures which would inflame the French.

At the present time, Spears is working on the Ministers to get them into a reasonable frame of mind and to convince them they must take no aggressive action if they are reinstated, and Macmillan is working on the French Committee to persuade it to reinstate the Ministers.

The British Cabinet has decided that it cannot yield on the status of the Ministers and instructions to this effect were sent last night to Macmillan as Catroux apparently has said that the question of the reinstatement of the Ministers rests with the Committee in Algiers.

In the same cable, the Foreign Office also informed Macmillan that

the British Government believes that negotiations for a *modus vivendi* (see the Embassy's 8050, November 18, 7 p. m.) should begin within 24 hours of the release of the President and the Ministers. Macmillan has been instructed to say that the 48 hours' delay in the institution of martial law should not be taken lightly and that the British will take this action if necessary.

The Foreign Office told Macmillan that the Committee might find the word "reinstatement" difficult and that any restitution to the Ministers of their authority could be simply on the basis of their resumption of the functions which they were unable to fulfill while under arrest. Certainly they are legal Ministers duly chosen under constitutional methods and therefore have never been deprived of their rights by any constitutional action. The British believe that all the Arab States will think along these lines and that it is therefore essential that the Ministers be reinstated to authority. Should the President be forced to choose other Ministers the question of personalities would be injected and they would, of course, have to be acceptable to the Committee. The Foreign Office said that such action would naturally delay the negotiations for a *modus vivendi* which, as already indicated, the British consider vital for a settlement of this question.

Repeated to Cairo, Beirut and Algiers.

WINANT

890E.00/258 : Telegram

The American Representative to the French Committee of National Liberation (Wilson) to the Secretary of State

ALGIERS, November 22, 1943—midnight.

[Received November 24—6:56 a. m.]

6. From Murphy. As the British Government continues to press for the immediate reinstatement to office of the Lebanese Ministers, Massigli is trying this morning to convince the French Committee of National Liberation to authorize Catroux to take this step which it is understood he favors. By agreement with Macmillan, Massigli is trying to avoid appearance of British pressure and if decision is taken it will be presented as spontaneous French action.

Massigli said that two members Helleu's staff—Boegner and Balleu—had resigned to manifest their sympathy for their chief. Massigli is sending Ostrorog⁵⁴ to Beirut to assist Catroux. Department will recall him as member of staff of Foreign Office at Vichy where he served until last spring handling Russian and Far Eastern

⁵⁴ Count Stanislas Ostrorog, Second French Delegate in Syria and Lebanon.

affairs. He has always maintained a friendly attitude toward the United States.

Sent Department and repeated to Cairo and Beirut. [Murphy.]
WILSON

890E.00/249 : Circular telegram

The Secretary of State to the Consul General at Algiers (Wiley)

WASHINGTON, November 23, 1943—7 p. m.

Please see Massigli urgently and make it clear to him that this Government maintains the position expressed in its 2139, November 12, midnight, and is thus in full accord with the British views summarized in London's 8157, November 22, 6 p. m. For Wilson.

In our opinion anything less than a restoration of the constitutional situation would not be consistent with the French promises of independence and the French action in arranging for the holding of elections and reestablishing constitutional Government in Lebanon. Having accepted and indeed welcomed this constitutional procedure and entered into relations with the resulting Lebanese Government, we would not be willing to recognize an arbitrarily imposed or appointed successor in its stead. It would seem to us that the easiest and least embarrassing action for the French to take would be the simple annulment of the decrees issued by Helleu on November 11.

While the repressive acts of Mr. Helleu have unquestionably aroused strong resentment on the part of the Lebanese officials, we are confident that they could be persuaded to be reasonable, if assured that the French would likewise be reasonable, and should be glad to instruct Wadsworth to use his best efforts to this end.

Sent to Algiers. Repeated to London, Cairo and Beirut.

HULL

890E.00/254 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, November 23, 1943—9 p. m.
[Received November 23—6:40 p. m.]

329. Projected decree referred to in fourth last paragraph my 327, November 22, 5 p. m., was issued yesterday evening signed by Chataigneau as Delegate General and Plenipotentiary ad Interim.

It abrogates all but first article of decree 464 and all of decree 465 reported in section 3, my 311, November 11, 8 p. m.

Non-abrogated article prescribes that act voted by Lebanese Parliament modifying constitution November 8 "is devoid of all legal character; it is null and void".

WADSWORTH

890E.00/261: Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, November 24, 1943—2 a. m.

[Received 4:09 p. m.]

330. Yesterday I called as arranged on President Khouri. President received me flanked by released Premier and Ministers, Vice Premier, who had come from Bishamun, and several leading Deputies. He made short evidently sincere address expressing his and his Government's heartfelt thanks for American support. "Even when things looked blackest", he said, "we never lost faith that democratic principles would prevail." Your flag and representative were applauded by crowd filling street approaches.

At Raschaya detainees told me they had been submitted to "prison regime." President had been given a sergeant's room with no special amenities and Premier one with camp bed, table and chair. Other four (three Ministers and Deputy Karami) were held in one room furnished only with four camp beds and chairs.

It was only last Friday after full week solitary confinement that President, after secret nocturnal visit to Catroux, was permitted to talk with Premier and only next day, following latter's similar nocturnal talk, that both were permitted to see other detainees. French troops guarded prison without, Lebanese gendarmes within.

News of developments was got to them secretly. In talks with Catroux, therefore, President and Premier refused all suggested compromise solutions. Only full restoration of *status quo ante* was acceptable.

They considered Chataigneau decree reported in my 329, November 23, 9 p. m. as satisfactory, on understanding that retention of non-abrogated article of Helleu's decrees means simply that French Committee maintains its position that Chamber's modification of constitution was illegal, while they continue to maintain the contrary.

After lunch President saw Catroux and later sent me message that Catroux had said Algiers Committee approved all his actions but still felt Ministry should not be reinstated and that President should exercise his constitutional authority to revoke their appointments. President answered he would have none of it as Ministry enjoyed full support of Parliament and people. Catroux commented he expected such reply but asked that President call off demonstrations. Latter answered they were spontaneous and harmless and would subside after restoration.

Shortly thereafter Catroux wrote formally to President that Algiers Committee "considers that the return to power of the Prime Minister and Ministers in office on November 8, 1943 is not possible at present." To this President and Ministry replied by action; they went together to Sérail (Government offices) where crowd of thousands gathered and Premier spoke briefly from balcony saying Ministry had resumed office and calling for return to normal life today. Actually all shops opened at early hour and crowds are in holiday mood.

Message received this morning from Presidency says President has received formal note from Catroux saying he had received yesterday evening text of new decision by Algiers Committee adopting his views regarding "the immediate resumption of power by the Cabinet presided by Riad Solh."

Thus, before expiration of extended time limit of British ultimatum, all its terms were met by French. And Catroux, accompanied by Acting Delegate General, have since called formally on President and Government now reinstated in office and reinstalled in Government offices.

WADSWORTH

890E.00/256 : Telegram

The American Representative to the French Committee of National Liberation (Wilson) to the Secretary of State

ALGIERS, November 24, 1943—2 p. m.

[Received November 24 (25?)—2:43 a. m.]

22. Following repeated to London, Cairo and Beirut.

Massigli told me last night French Committee had approved Catroux's recommendation that Lebanese Ministers be reinstated. Comité has thus complied with conditions laid down by British. It will now, according to Massigli, be a question of negotiations between French and Lebanese to cover the situation during the war period and bring mandate into harmony with the independence that has been promised.

Massigli said British attitude had been extremely hard and caused much resentment here. He gave, however, much credit to Macmillan for what he termed his skillful and understanding handling of the matter.

WILSON

890E.00/260 : Telegram

The American Representative to the French Committee of National Liberation (Wilson) to the Secretary of State

ALGIERS, November 24, 1943—6 p. m.

[Received November 25—2:40 a. m.]

23. Your circular of November 23, 7 p. m., crossed my 22, November 24, 2 p. m. The information given in the latter telegram was confirmed to me this morning by Makins who stated that the French Committee by approving Catroux recommendation that the Ministers be reinstated has met the British conditions and that it is now a matter negotiation of the *modus vivendi* between the French and the Lebanese. In view of this it seems to me advisable, for the moment at least, to make no further representations to Massigli unless and until it should appear that the French are behaving badly in the matter of the negotiations.

Macmillan left for Cairo this morning apparently satisfied that matters are in a satisfactory way of settlement.

WILSON

890E.00/255 : Telegram

The Secretary of State to the Diplomatic Agent and Consul General at Beirut (Wadsworth)

WASHINGTON, November 25, 1943—7 p. m.

285. Owing to delay in receipt of your 327, November 22, 5 p. m. Department was unable to send special message for delivery to Lebanese President this morning. It is suggested that you may desire to communicate to him, if you have not already done so, a summary of this Government's views as expressed in recent telegrams to Algiers.

HULL

890E.00/303a : Telegram

The Secretary of State to the American Representative to the French Committee of National Liberation at Algiers (Wilson)

WASHINGTON, November 25, 1943—9 p. m.

4. For Wilson. See Murphy's 1998, November 14, 9 p. m. and Department's 2208, November 19, midnight.⁵⁵ You are authorized to inform the French Committee of National Liberation that we withdraw from the written record and consider as orally expressed the second sentence of communication made in compliance with Department's 2139, November 12, midnight.

Sent to Algiers. Repeated to London, Cairo and Beirut.

HULL

⁵⁵ Latter not printed.

890E.00/306

*Memorandum by the Chief of the Division of Near Eastern Affairs
(Alling)*⁵⁶

[WASHINGTON,] November 25, 1943.

The White House informed the Department under date of November 20, 1943 that the President thought we should support the British position in Lebanon and even try to make it more positive.

Promptly upon receipt of this message, on November 21, 1943, Mr. Hayter was informed that this Government could be counted upon to support the British Government's policy on Lebanon communicated to the Department on November 18, 1943.

PAUL H. ALLING

890E.00/303

*Statement Issued to the Press by the Department of State,
November 26, 1943*

The Government of the United States has noted with approval the action of the French Committee of National Liberation in releasing and restoring to office the President and Ministers of the Lebanese Republic and in abrogating the decrees issued on November 11, 1943, suspending the Lebanese Constitution, dissolving the Lebanese Parliament and naming a "Chief of State, Chief of Government."

The situation in Lebanon is thus restored to a normal basis, and it is the earnest hope of this Government that friendly negotiations can now proceed in an atmosphere of good will on both sides for the solution of the underlying issue of the independence of the Levant States.

By way of background, it may be recalled that the independence of Syria and Lebanon was contemplated in the terms of the Class A Mandate over these States entrusted to France by the League of Nations. American rights in these States were defined in the Treaty of 1924 between the United States and France.⁵⁷ The Government of the United States has subsequently expressed its sympathy and that of the American people with the aspirations of the Syrian and Lebanese peoples for the full enjoyment of sovereign independence. The proclamations of independence issued in the name of the French National Committee in 1941 were welcomed as steps toward the realization of these aspirations, and this Government extended limited

⁵⁶ Addressed to the Adviser on Political Relations (Murray), the Assistant Secretary of State (Berle), the Under Secretary of State (Stettinius), and the Secretary of State.

⁵⁷ Signed at Paris, April 4, 1924, *Foreign Relations, 1924*, vol. I, p. 741.

recognition to the local Governments established thereunder by accrediting to them a Diplomatic Agent. More recently, this Government observed with satisfaction the successful establishment of elected Governments in these States. Moreover, the Eastern Mediterranean is a theater of war. While it is an area of primary British strategic responsibility, any activities therein which hamper the general war effort are of concern to all the United Nations.

890E.00/293 : Telegram

The American Representative to the French Committee of National Liberation (Wilson) to the Secretary of State

ALGIERS, December 2, 1943—6 p. m.
[Received December 3—3:05 a. m.]

83. I had a talk yesterday with General Catroux. He said that Helleu had acted very badly, "inexcusably", and far beyond his instructions. He said that when he left Algiers for Beirut he had in mind the solution which in fact was ultimately reached. The British ultimatum, however, had made it more difficult to work things out because of the resentment produced within the French Committee and particularly on de Gaulle.

He expects to leave again for Beirut on December 5 and hopes to negotiate a *modus vivendi* with the Lebanon and also one with Syria comprising a series of agreements. His aim is to give France the same position in these countries that the British have in Iraq and Egypt. His policy is to protect the legitimate interests of his own country; e.g., schools, hospitals, airdromes, ports and then with reservation of certain matters essential to the war effort, such as internal security, communications, movement of foreigners, to grant complete independence. He referred to the mandates as well as to our 1924 treaties as "essentially juridical conceptions." He said that he intended to turn over the "common interests." He remarked that it was most important that the solution given the "incident" should not be regarded as a British victory over the French, as it would be deplorable all round to renew Franco-British rivalry in the Levant. He spoke with appreciation of the attitude of Wadsworth but said that unquestionably the affair had been embittered by Spears who, willingly or unwillingly, occupies the position in the eyes of the Lebanese of Champion of any and all Lebanese claims against France.

His attitude seemed to me fair and reasonable. He said that he was hopeful of success in the forthcoming negotiations.

Sent Department repeated to London, Beirut, Cairo.

WILSON

890E.00/294 : Telegram

The American Representative to the French Committee of National Liberation (Wilson) to the Secretary of State

ALGIERS, December 4, 1943—9 p. m.
[Received December 5—4: 32 a. m.]

92. My 83, December 2, 6 p. m. General Catroux told me today that he has postponed his departure for Beirut for a week because of matters requiring his attention here. He said that the views which he had expressed to me regarding the manner in which he intends to deal with affairs in the Levant had been approved by de Gaulle and the Committee.

Sent Department, repeated to London, Beirut and Cairo.

WILSON

890E.00/322

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

[WASHINGTON,] December 13, 1943.

Lord Halifax⁵⁸ called to see me today. He said he had just had word that his Foreign Office felt our statement on the Lebanon⁵⁹ was excellent and that it pleased the British immensely.

E[DWARD] S[TETTINIUS]

890E.00/313 : Telegram

The Diplomatic Agent and Consul General at Beirut (Wadsworth) to the Secretary of State

BEIRUT, December 16, 1943—noon.
[Received 4:15 p. m.]

347. On November 6 Lebanese Foreign Minister handed me letter⁶⁰ addressed to President Roosevelt by Sheikh Beshara El Khouri announcing his assumption on September 21 of Lebanese Presidency. It varied in minor detail only from similar letter⁶¹ written by Syrian President enclosed with my despatch 190, October 2.⁶²

Five days after the receipt of Lebanese letter President Khouri was jailed. At the end of Lebanese crisis I was summoned to Cairo.

⁵⁸ British Ambassador.

⁵⁹ Statement issued to the press by the Department of State, November 26, p. 1049.

⁶⁰ Copy transmitted to the Department by the Diplomatic Agent in his despatch No. 241, December 22, 1943, not printed.

⁶¹ Dated August 17, p. 985.

⁶² Not printed.

There I delivered letter personally to President Roosevelt⁶³ who signed reply⁶⁴ prepared at his request by George Allen⁶⁵ and myself.

This reply is conventional except for short passage reading "events of recent weeks in your country have been followed in mine with very special attention and sympathy". It was delivered to Lebanese President through Foreign Minister December 13.

Yesterday Foreign Minister asked me to ascertain by telegraph whether my Government would kindly agree to immediate publication here of this exchange of Presidential letters. Full copies will be forwarded to Department by early pouch.

If such publication is approved, local outpost OWI wishes give matter effective publicity and enquires whether Department cannot at the same time authorize publication of exchange of letters with Syrian President, provided he agree thereto.⁶⁶

WADSWORTH

890E.00/318 : Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, December 17, 1943—noon.

[Received 3:56 p. m.]

351. Period of 3 weeks since end Lebanese crisis reported in my 330, November 24, 10 [2] a. m., has been marked by general celebration of restoration of constitutional regime and by reconsolidation of Solh Government's position including extensive changes in higher administrative posts. Latter have been generally well received by Deputies and public.

Parliament met only once on December 1. Speaker stressed "heroic and dignified attitude of Lebanese nation" during crisis. Premier reviewed events. Tribute was paid to British and American assistance and to support by sister Arab states. New Lebanese flag was unanimously adopted.

Foreign Minister tells me only important political developments have been conference between Syrian and Lebanese Ministers designed to outline common position to be taken in discussions with Catroux

⁶³ In Cairo for the First Cairo Conference, November 22-26, 1943; for correspondence on this Conference, see *Foreign Relations*, The Conferences at Cairo and Tehran, 1943.

⁶⁴ *Ibid.*, p. 778.

⁶⁵ Assistant Chief of the Division of Near Eastern Affairs.

⁶⁶ In Department's telegram No. 301 of December 22, to Beirut, it was stated that "Department has no objection to publication of exchanges of letters . . . provided you are satisfied that such publication at this time will not be regarded by the French as provocative or as prejudicial to the working out of an amicable agreement." (890E.00/337a)

(who arrived from Algiers yesterday) and French agreement in principle (communicated by Acting Delegate General) to transfer of all "common interests" services except in so far as partial retention is dictated by Allied military requirements.

Minister added that subject of discussions with Catroux will therefore be restricted to modalities of transfer and assurances regarding any specific French interests involved; there could be no question of concluding treaty of alliance or "otherwise prejudicing Lebanon's political future as an independent state".

Chief political officer of Spears Mission who has just returned from London expects also tripartite discussions (i.e. between British, French and Syro-Lebanese representation) for definition of authority to be reserved to British and French military commands.

Further evidence of common Syro-Lebanese approach to their common problems is found in action of Syrian President and Deputies in swearing allegiance December 14 to constitution of 115 articles as voted 1928 by Syrian Constituent Assembly. It was promulgated 1930 by French High Commissioner with article 116 designed to reserve rights and duties of mandatory power.

Both countries will therefore enter forthcoming discussions having formally declined by acts of their Parliaments to recognize that French possess such rights and duties.

WADSWORTH

890E.00/319: Telegram

*The Diplomatic Agent and Consul General at Beirut (Wadsworth)
to the Secretary of State*

BEIRUT, December 20, 1943—8 p. m.

[Received December 21—6: 24 p. m.]

356. When calling on Syrian Foreign Minister yesterday in Damascus he corrected British and French Beirut press story reported in penultimate paragraph my 351 December 17 noon. Newly printed constitution of 155 articles, he said, had been distributed to President and Deputies but not sworn to; this would probably be done next week; meanwhile Government held firmly to its nonrecognition of mandate; conversations on that basis would begin this week with Catroux who would probably return to Algiers after Xmas fortnight's visit.

Minister then said Syrian and Lebanese Governments were considering issuing declaration to effect that they were determined to continue cooperation with Allied war effort to fullest measure their strength and resources on basis Atlantic Charter principles and con-

sequently deemed it desirable to declare formally (this probably with parliamentary approval and perhaps retroactively to respective dates of reestablishment of constitutional government) that Syria and Lebanon considered themselves in state of war with Axis Powers. He suggested informally that I inquire regarding my Government's views on this subject should it care to express any.

WADSWORTH

890E.00/326 : Telegram

The Chargé at Damascus (Farrell) to the Secretary of State

DAMASCUS, December 24, 1943—3 p. m.

[Received 6:35 p. m.]

9. Referring to my despatch number 55, December 15⁶⁷ I have the honor to report that Foreign Minister Mardam yesterday informed me that Syrian and Lebanese in conversations had reached agreement yesterday's date with General Catroux by which certain governmental attributes exercised by French would on January 1 be transferred to the two Levant States. The agreements he stated would not take the form of a treaty or convention but would be proclaimed over joint signatures of negotiators.

Prime Minister in Parliament session yesterday read communiqué to above effect but worded more specifically to indicate that common interests would on January 1 be transferred. This is conditioned by proviso that modalities of transfer of powers will be the object of later specific agreements.

Prime Minister announced that French authorities have ceded following attributes: Sûreté, passport control, tribal affairs, dangerous foreigners, and frontier control, administration of which will be transferred within next 10 days.

Project of Syrian army, that is to say nucleus now constituted by native levies in the service of French Army, will according to Prime Minister be postponed pending study of country's financial resources. He stated that revenue from common interests is insufficient and Parliament in due course be called on to elaborate budget to cover army requirements. Agreement has aroused universal approbation in Syria. Foreign Minister informs me General Catroux will leave tomorrow for Algiers returning mid-January to conclude specific agreements on modalities of transfer.

FARRELL

⁶⁷ Not printed.

890E.00/329 : Telegram

The American Representative to the French Committee of National Liberation (Wilson) to the Secretary of State

ALGIERS, December 27, 1943.

[Received December 29—10:52 p. m.]

265. The Commissariat for Information issued an official press release yesterday stating that at the close of the conference at Damascus on the Lebanon-Syrian situation the following declaration was adopted:

“Agreement was reached today between General Catroux, Commissioner of State *en mission*, and the representatives of the Lebanese and Syrian Governments, for the return to these Governments of the powers exercised in their name by the French authorities. By virtue of this agreement, the jointly administered services with their personnel will be handed over to the two states Syrian and Lebanese with the right to make laws and legislate, beginning January 1, 1944.”

The press release also stated that the decisions contained in the above declaration had no bearing on the juridical aspect of the mandate.

Repeated to Beirut and Cairo.

WILSON

890E.00/339 : Telegram

The American Representative to the French Committee of National Liberation (Wilson) to the Secretary of State

ALGIERS, December 31, 1943.

[Received January 1, 1944—10:39 a. m.]

298. The following is a translation of the more important parts of a press interview given by General Catroux to *France Afrique* on his return from the Near East:

In the Levant as in all other parts of the world where France once sent her soldiers, her administrators, and her scholars, France continues to exist. In line with the spirit and the terms of her mission she has just resigned in favor of the Syrian and Lebanese Governments certain powers of legislation and regulation that she was exercising in their name by virtue of the common interests of the two states. The Governments thus become responsible for the governmental services, in which, moreover, they will maintain the French personnel now on duty, granting to them the necessary guarantees.

France keeps under her sole authority . . .⁶⁸ the command of native troops . . . to insure the security of the two countries . . . the war

⁶⁸ Omissions indicated in original telegram.

situation prevents any change in this respect until the end of hostilities.

In a word, while awaiting a general settlement, France and the states of the Levant have established their relationship temporarily on the basis of a *modus vivendi* which takes into account the rights, obligations and interests of the two parties and which is conceived in a spirit of close and traditional friendship.

Sent to the Department, repeat[ed] to Beirut and Cairo.

WILSON

TURKEY

ATTITUDE OF THE UNITED STATES TOWARD THE QUESTION OF THE ENTRY OF TURKEY INTO THE WAR

[The attitude of the United States toward the question of the entry of Turkey into the war, along with that of the United Kingdom and the Soviet Union, was the subject of discussion at the following conferences held during 1943 between heads of government: The Casablanca Conference (President Roosevelt and British Prime Minister Churchill, January 14–January 24); the Second Washington Conference (President Roosevelt and Prime Minister Churchill, May 12–May 25); the First Quebec Conference (President Roosevelt and Prime Minister Churchill, August 17–August 24); the Tehran Conference (President Roosevelt, Prime Minister Churchill, and Soviet Premier J. V. Stalin, November 28–December 1); and the Second Cairo Conference (President Roosevelt, Prime Minister Churchill, and Turkish President Ismet İnönü, December 4–December 6). For documentation relating to this subject at the Cairo and Tehran Conferences, see *Foreign Relations, The Conferences at Cairo and Tehran, 1943*, index entries under **Turkey: Participation in the war**. Documentation relating to the other conferences is scheduled for publication in subsequent volumes of *Foreign Relations*.

For correspondence relating to an exchange of messages between President Roosevelt and Turkish President İnönü, regarding the conference between Prime Minister Churchill and President İnönü at Adana, Turkey, January 30 and 31, immediately after the Casablanca Conference, see pages 1058 ff. Correspondence relating to an exchange of views between the Department of State and the British Embassy, in June and July, regarding a clarification of decisions taken at the Casablanca Conference regarding the respective roles of the United States and British Governments in relations with Turkey will be found on pages 1064 ff.

The question of the attitude of the three Powers toward Turkish entry into the war also figured prominently at the Tripartite Conference of Foreign Ministers at Moscow, October 18–November 1; for correspondence regarding this Conference, see volume I, pages 513 ff., and for discussion of Turkish entry into the war, see *ibid.*, index entries under **Tripartite Conference of Foreign Ministers: Turkey**.]

**EXCHANGE OF MESSAGES BETWEEN PRESIDENT ROOSEVELT AND
TURKISH PRESIDENT INONU REGARDING A CONFERENCE BETWEEN
BRITISH PRIME MINISTER CHURCHILL AND PRESIDENT INONU AT
ADANA, TURKEY, JANUARY 30 AND 31, 1943**

740.0011 European War 1939/27629 : Telegram

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

LONDON, January 25, 1943—8 p. m.

[Received January 25—3:02 p. m.]

651. For the President. I have just been shown at the Foreign Office a message from the Prime Minister¹ stating that you had authorized² instructions to be sent through this Embassy to Ambassador Steinhardt³ in the sense quoted in the following telegram which I have despatched to Ankara.

“For the Ambassador. The President has sent instructions for you to deliver to President İnönü the following message:

‘President İnönü: The Prime Minister who has been conferring with me is going shortly to Cairo. He will in all probability wish to confer with you or with your Prime Minister at some convenient secret place. In case Prime Minister Churchill does seek a conference I earnestly hope you or your Prime Minister will find it possible to meet him. Roosevelt.’

You are requested to concert with your British colleague⁴ who is receiving a related message from the Prime Minister concerning the proposed meeting.”

MATTHEWS

740.0011 European War 1939/27631 : Telegram

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

LONDON, January 26, 1943—11 p. m.

[Received January 26—7 p. m.]

686. For the President. My 651, January 25, 8 p. m. In his message to me No. 5, January 26, 2 p. m., Ambassador Steinhardt states:

“Please inform the President that I have seen Prime Minister Saraçoğlu after conferring with the British Ambassador. I expect to deliver the President’s message to İnönü this evening or in the morning. Saraçoğlu said that for his part he welcomed the proposed meeting with Churchill and would urge acceptance on İnönü.”

MATTHEWS

¹ Winston S. Churchill.

² At the Casablanca Conference meeting between President Roosevelt and Prime Minister Churchill; correspondence relating to this conference is scheduled for publication in a subsequent volume of *Foreign Relations*.

³ Laurence A. Steinhardt, Ambassador in Turkey.

⁴ Sir Hughe M. Knatchbull-Hugessen.

740.0011 European War 1939/27634 : Telegram

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

LONDON, January 27, 1943—1 p. m.
[Received January 27—8:44 a. m.]

691. For the President. My 686, January 26, 11 p. m. The Foreign Office has shown me a telegram from the British Ambassador at Ankara reporting that President İnönü has expressed great satisfaction at the prospect of a meeting with Prime Minister Churchill. İnönü said he would be glad to arrange such a meeting anywhere on Turkish territory. If the meeting should take place elsewhere he said the Turkish Constitution would require the appointment of a temporary successor to the President during his absence from Turkey. Such an appointment would necessitate consultation with the Turkish Parliament and hence secrecy would be most difficult to maintain. If Churchill prefers that the meeting take place outside Turkey President İnönü will be glad to send his Prime Minister, accompanied by Chief of the Turkish General Staff.⁵

The Foreign Office finds this reply unexpectedly satisfactory. However, it has little confidence in Turkish security arrangements and Eden⁶ will probably urge that the meeting be held at the place originally suggested with Saraçoğlu.

Incidentally, Foreign Office feels that since the Turks have shown "sufficient courage" to accept your and Churchill's invitation with alacrity they probably reason that the British Prime Minister would not wish to return to London without some tangible agreement and that hence the meeting presents a golden opportunity for the Turks to obtain some of the good things they want from the Allies. The Turks, I am told, are also displaying a healthy anxiety over the unpleasant possibilities for Turkey of an Allied peace table at which she has no chair.

MATTHEWS

740.0011 European War 1939/27636 : Telegram

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

LONDON, January 27, 1943—7 p. m.
[Received January 27—3:20 p. m.]

697. For the President. My telegram number 691 January 27, 1 p. m. I have just received the following telegram from Ambassador Steinhardt as his number 7, January 26, 7 p. m.

⁵ Marshal Fevzi Çakmak.

⁶ Anthony Eden, British Secretary of State for Foreign Affairs.

"Most Secret to be decoded by Matthews. Please inform the President that I have just returned from a meeting with President İnönü, who has asked me to transmit the following personal message from him to President Roosevelt:

'I have received the message which Mr. Churchill has sent me to ask me in the name of Great Britain and the United States to have a conference with me or the Prime Minister on the subject of the equipment of the Turkish Army with the most modern arms now being manufactured and on the questions which concern the general defensive security of Turkey. I have transmitted to him my affirmative reply. I send Your Excellency my most cordial regards and my very warmest thanks for having given your valuable support to the proposed meeting. Signed İnönü.'

"İnönü also gave me a copy of his reply to Churchill which reads as follows:

'I welcome with great satisfaction your request to have a conference with me in the name of Great Britain and the United States on the subject of the equipment of the Turkish Army with the most modern arms now being manufactured and also on the questions concerning the general defensive security of Turkey. The meeting may take place in accordance with your wishes at any time and at any place in Turkey and I would be especially happy to have this meeting with you. However, the constitution of the Republic imposes the obligation on the head of the state to designate [five groups garbled] the country and this legal requirement would not permit us to keep secret the proposed meeting. If a meeting in Turkey cannot take place it goes without saying that Prime Minister Saraçoğlu will be at your disposal for any meeting in Cyprus which you may designate. Also Marshal Cakmak could accompany him or meet with the British Chief of Staff at any time at any place.'

"[In the course of my conversations with the President and the Prime Minister they made it unmistakably clear that President İnönü was quite prepared to receive Churchill in Turkey publicly or privately, with probability that a private meeting could not be kept secret, or to send Saraçoğlu and Cakmak to Cyprus as Churchill may elect.

"[In conversation with the President he indicated that President Roosevelt's support of the proposed meeting had played an important role in his decision to accept the proposal."

MATTHEWS

740.0011 European War 1939/27662½ : Telegram

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

ANKARA, February 2, 1943—3 a. m.

[Received 12:55 p. m.]

211. For the President, Secretary and Under Secretary. The British Ambassador, who returned to Ankara this evening, has given me the following résumé of the Adana Conference:

Churchill made the following points: ⁷

⁷ For Mr. Churchill's account of his conference with the Turks at Adana, see Winston S. Churchill, *The Second World War: The Hinge of Fate* (Boston 1950), pp. 696 ff. On the train returning from this conference, Mr. Churchill prepared a memorandum dated February 2, 1943, entitled "Morning Thoughts: Note on Post-war Security". A copy of this memorandum was sent to President Roosevelt who supplied a copy to Secretary Hull (copy filed in IO). The greater part of the memorandum dealt with Turkey and the points set forth were similar in substance to those here reported as made by Mr. Churchill.

1. Britain will ask nothing of Turkey that is not in her interest and will never ask Turkey to enter the war if such action might lead to disaster. Accordingly he sought no present commitments of Turkey.

2. The German need for oil and desire to expand eastwards might cause the Axis in desperation to attack Turkey. By reason of this threat Turkey must be strong and her armament increased during the next few months.

3. Even should Germany not attack Turkey, Turkish interests may dictate that she intervene in the Balkans to prevent anarchy. Such a condition could arise as a result of increasing German weakness, trouble in Bulgaria, a quarrel between Rumania and Hungary over Transylvania, or more extensive Greek or Yugoslav resistance. Thus the possibility of Turkey becoming a belligerent must be considered.

4. Without becoming a belligerent Turkey might at some time consider taking the same position as the United States before it entered the war, by a "departure from strict neutrality". Thus Turkey might grant permission to use Turkish airfields from which to bomb the Rumanian oil fields, the Dodecanese Islands and Crete. Germany and Bulgaria would submit to such action "not wishing to excite Turkey to more active belligerency".

5. Russia has renounced all territorial gains beyond her June 1941 frontiers. Should Turkey become a full belligerent she will receive the fullest aid and will have the right to all guarantees for her territory and rights after the war. Great Britain would give these guarantees independently of any other power. Churchill expressed the belief that Russia would give the same guarantees and that "President Roosevelt would gladly associate himself with such treaties and that the whole weight of the United States would be used in the peace settlement to that end. At the same time one must not ignore the difficulties which the United States constitution interposes against prolonged European commitments".

6. It is important that Turkey be "among the winners" to assure her security after the war. Even after Germany is crushed Turkish cooperation will still be necessary.

7. At the end of the war the United States will be the strongest nation and will desire solid international structure which will spare the United States from having to enter future European wars. This structure will call for disarmament of the aggressors and an association of nations stronger than before.

The Ambassador said that İnönü had received Churchill's views with obvious satisfaction. None of the Turkish officials had interposed any objections to or even modifications of his views. Subsequently there were lengthy conferences between British and Turkish staff officers present, the details of which have not yet been submitted to Hugessen. The Ambassador pronounced the conference a distinct success. At the close of the meeting a joint telegram from İnönü and Churchill to President Roosevelt was discussed. The idea was abandoned in favor of a personal telegram from İnönü sent from the train.

The Foreign Minister will see Von Papen⁸ tomorrow and inform him that no agreement was asked of or given by the Turkish Government, that the Turkish Government entered into no commitments and that the principal subject discussed was more arms for Turkey which his Government would be pleased to receive from Germany as well as from Great Britain and the United States.

I will report the reaction of the Turkish Government as soon as possible.

STEINHARDT

740.0011 European War 1939/27976

The President of Turkey (Inönü) to President Roosevelt

[Translation]⁹

ANKARA, February 2, 1943.

THE PRESIDENT: Mr. Winston Churchill has been good enough to transmit to me, Mr. President, the friendly personal message you so thoughtfully extended to me. My great pleasure in talking with the British Prime Minister was heightened by the evidence of your moral support.

Please accept [etc.]

ISMET INÖNÜ

740.0011 European War 1939/27721 : Telegram

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

ANKARA, February 3, 1943—6 p. m.

[Received February 4—8:54 a. m.]

219. Though it is too soon to accurately gauge the reaction of Turk public to Churchill's visit, as his meeting with Inönü was not announced until yesterday, the first impression is one of apprehension lest Turkey's entry into war on side of Allies be imminent. This conviction is supported by fact that demand for gold on open market late yesterday afternoon was so great that sellers suspended sales. The non-committal tenor of the official communiqué was offset by the impressive list of high ranking military officials who attended conferences.

It is probable that if the public observes no active steps in immediate future towards Turkey's participation in the war this uneasiness will gradually disappear while at same time the public will subconsciously be preparing it well for future entry into the war. As the people have complete confidence in present government's political sagacity

⁸ Franz von Papen, German Ambassador in Turkey.

⁹ Supplied by the editors.

and as their sympathies are predominantly with Allies, a decision by the Government at a later date to enter the war on side of Allies would have support of vast majority of public. Fear of a seizure by Russia of Straits is so deeply rooted in consciousness of all classes that Turk public would probably welcome entry into war on side of Allies as assuring active support of United States and Great Britain against Russian aspirations.

STEINHARDT

740.0011 European War 1939/27663½ : Telegram

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

ANKARA, February 3, 1943—8 p. m.
[Received February 15—6:37 p. m.]

222. For the President, Secretary and Under Secretary. In a talk with Prime Minister this afternoon he said that he was "completely satisfied" with Adana Conference. As his summary of conversations was similar to that given me by British Ambassador (see my No. 211 of February 2), I am not repeating it here.

Saraçoğlu stated that both British and Turks had spoken with utmost frankness on all of subjects discussed and that there had at no time been any divergence of opinion. He said he was particularly pleased that Churchill had not sought to obtain a definite commitment from Turk Government to enter war but had confined himself to pointing out that a situation might arise "when the Turks by pulling one brick out of the wall might cause the whole wall to collapse". The Prime Minister remarked that he had gained the impression throughout the conference that Churchill was speaking very much under the influence of the views of President Roosevelt. He said that Churchill had been most generous in giving credit to the United States for Britain's present favorable position in the war.

The Prime Minister said that as there had been frequent discussions between us, particularly when he was Foreign Minister, on the subject of improving Turkish-Soviet relations, I would be interested to know that Churchill had suggested to him the desirability of making every effort to avoid offending the susceptibilities of the Soviet Government in view of the great contribution the Russians are making to the defeat of Germany.

I gained the impression from my talk with Saraçoğlu that he was entirely sincere in expressing his satisfaction with the outcome of the conference. In my opinion the Turkish Government is convinced that the Allies will win the war, that an Allied victory is in the interests of Turkey, that Turkey's only salvation from possible Russian aggression lies in such protection as she may be able to obtain from the United States and Great Britain and that this protection as well as

desired influential voice in Balkan affairs can only be obtained by associating herself with the victorious powers. Consequently I am convinced that the Turkish Government is prepared, at an appropriate time, to facilitate an Allied victory either by permitting the use of Turkish airfields and ports or by entering the war as an active belligerent should such a step be deemed desirable.

STEINHARDT

740.0011 European War 1939/27976 : Telegram

President Roosevelt to the President of Turkey (Inönü)

WASHINGTON, February 10, 1943.

I deeply appreciate Your Excellency's courteous message¹⁰ to me following your conversations with the British Prime Minister at Ankara [*Adana*], and am most happy at the results of this historic meeting.

FRANKLIN D. ROOSEVELT

CLARIFICATION OF DECISIONS TAKEN AT THE CASABLANCA CONFERENCE REGARDING THE RESPECTIVE ROLES OF THE UNITED STATES AND BRITISH GOVERNMENTS IN RELATIONS WITH TURKEY

711.67/120

Memorandum of Conversation, by the Chief of the Division of Near Eastern Affairs (Alling)

[WASHINGTON,] June 19, 1943.

Mr. Wright¹¹ said that it would be recalled that several weeks ago Mr. Murray¹² had had a conversation with Mr. Strang¹³ of the British Foreign Office regarding Turkey. (For convenience, the record of the conversation is quoted herewith:

"Referring to Turkey, Mr. Murray said that as regards the decision reached at Casablanca¹⁴ that Turkey was to be considered within a military sphere of primary British responsibility, it was the view of the Department that this agreement was limited strictly to military matters and implied no recognition by the American Government of any primary British responsibility in the political and eco-

¹⁰ Dated February 2, p. 1062.

¹¹ Michael Wright, First Secretary of the British Embassy.

¹² Wallace Murray, Adviser on Political Relations.

¹³ William Strang, British Deputy Under Secretary of State for Foreign Affairs. Mr. Strang had accompanied the British Secretary of State for Foreign Affairs, Anthony Eden, on a visit to Washington March 12-30, 1943, for consultations with the Secretary of State; for correspondence regarding Mr. Eden's visit, see vol. III, pp. 1 ff.

¹⁴ Correspondence regarding the conference at Casablanca between President Roosevelt and British Prime Minister Winston S. Churchill, January 14-24, 1943, is scheduled for publication in a subsequent volume of *Foreign Relations*.

conomic spheres as regards Turkey. Mr. Murray said that he would be glad to have confirmation that the Department's view on this matter was similar to that of the British Government. Mr. Strang said that he would take note of the request.")

Mr. Wright said that Mr. Murray had raised the question concerning the claim of the British Government to have primary responsibilities in Turkey and had stated that he assumed that this applied only to arrangements made at Casablanca for furnishing military supplies under Lend-Lease through Great Britain,¹⁵ and that it did not imply any recognition by the American Government of any primary British responsibility in the political and economic spheres in Turkey. Mr. Strang had indicated that that was his understanding of the matter. However, upon returning to London, he had looked up the Casablanca agreement and, in order that the position might be perfectly clear, he had asked Mr. Wright to explain that the President had given the Prime Minister primary responsibility in "playing the cards" with Turkey. I said I assumed that this did not mean that Mr. Strang felt that this Government had given up any independent line of action in Turkey as regards the political field. Mr. Wright replied that he assumed that that was the case and that the agreement at Casablanca applied chiefly to giving the British a relatively free hand in dealing with the Turkish attitude toward the war. He said that, obviously, if we disapproved of any action or proposed action we were perfectly free to say so.

I told Mr. Wright I thought it might be desirable for us to have a perfectly clear understanding on this point and that we should endeavor to find out exactly what had been agreed upon at Casablanca in order to avoid any misunderstandings. Mr. Wright agreed that this would be desirable from the British point-of-view as well as from the American.

711.67/120

*Memorandum by the Adviser on Political Relations (Murray) to the Secretary of State*¹⁶

[WASHINGTON,] July 2, 1943.

MR. SECRETARY: You will recall that when Mr. Eden was in Washington he was accompanied by Mr. Strang, Deputy Under Secretary of

¹⁵ For correspondence regarding this subject, see pp. 1087 ff., *passim*.

¹⁶ This memorandum, accompanied by the draft of a letter from the Secretary to Lord Halifax, the British Ambassador, was transmitted to President Roosevelt on July 7; the letter was approved by the President on July 10, and dispatched to the British Embassy the same day; see *infra*.

the British Foreign Office. In accordance with your instructions, I discussed with him several matters concerning American-British relations in the Near East, one of which referred to Turkey. I said that some British officials seemed to be under the impression that the Casablanca understandings reached between the President and Mr. Churchill involved a limitation on the independence of action by the United States in the political and economic as well as the military spheres as regards Turkey. I said that this impression was contrary to our own, and that I would be glad to receive confirmation that the British Government agreed with our interpretation that the American Government's independence of action towards Turkey in the *political* and *economic* spheres had not been circumscribed in any way at Casablanca.

Mr. Michael Wright, of the British Embassy staff, has recently informed us that Mr. Strang, after his return to London, had "looked up the Casablanca agreement" and, in order that the position might be perfectly clear, had asked Mr. Wright to inform us that the President had given the Prime Minister primary responsibility for "playing the cards" with Turkey. If this is true, the phrase is capable of very wide interpretation.

I may say, incidentally, that although the "Casablanca agreement" appears to be available to the British Foreign Office, our efforts some weeks ago to obtain a copy from Admiral Leahy¹⁷ brought the response, as you may recall, that no copy was available for us. Consequently, we have had no opportunity to confirm the British version.

However, I feel confident that the President, in the military agreements reached at Casablanca, had no intention of limiting our independence of action in the political or economic spheres as regards Turkey. Certainly we have not been informed of any such limitation and may presume, I should think, that none was agreed to.

In view of the continuing British assumption to the contrary, the attached note to Lord Halifax¹⁸ seems called for. A clear statement will be of assistance to all concerned.

I may add that should any question of a limitation on our freedom of action in favor of Great Britain arise regarding Turkey, I do not believe that it would be in the interests of the United States or of the United Nations' cause for us to concede. Even the military concession regarding Turkey made at Casablanca, while doubtless reached for valid considerations, has nevertheless caused very great consternation on the part of Turkish officials who are not allowed to handle direct with us their own requests for American Lend-Lease supplies.

WALLACE MURRAY

¹⁷ Adm. William D. Leahy, Chief of Staff to the Commander in Chief of the Army and Navy.

¹⁸ *Infra*.

711.67/120

The Secretary of State to the British Ambassador (Halifax)

WASHINGTON, July 10, 1943.

MY DEAR LORD HALIFAX: During the visit of Mr. Eden to Washington in March, Mr. Wallace Murray and Mr. Strang discussed various matters relating to American-British relations in the Near East. As regards Turkey, Mr. Murray said that the Department understood that the decision reached at Casablanca that Turkey was to be considered within a military sphere of primary British responsibility was limited strictly to military matters and implied no recognition by the American Government of any primary British responsibility in the political or economic spheres as regards Turkey. Mr. Murray said that he would be glad to have confirmation that the Department's view in this matter was similar to that of the British Government.

On June 19 a member of your staff, Mr. Michael Wright, informed Mr. Alling that Mr. Strang, after investigating the subject at London, had asked Mr. Wright to say that the British Foreign Office understood that at Casablanca the President had given the Prime Minister primary responsibility for "playing the cards" with Turkey. In the course of further discussion Mr. Wright said that he understood that the agreement arose out of discussion on the possibility of bringing Turkey into the war.¹⁹

In view of a possible misapprehension of some of the British authorities in regard to this matter, I think I should point out clearly that notwithstanding any military understanding reached, I am not aware of any commitment made by the President at Casablanca which relates in any way to the surrender by the United States of its full independence of action with regard to relations between the United States and Turkey in either the political or the economic sphere, either during the war or after. I hardly need assure you that this Government has every desire and intention of continuing the closest collaboration with the British Government in our mutual relations with Turkey, and that I have no apprehension whatever of difficulties in this regard. I feel it advisable, however, to clarify the situation by the present statement.

Sincerely yours,

CORDELL HULL

¹⁹ Concerning the attitude of the United States toward the question of the entry of Turkey into the war, see bracketed note, p. 1057.

711.67/120

*Memorandum of Conversation, by the Adviser on Political Relations
(Murray)*

[WASHINGTON,] July 12, 1943.

Mr. Michael Wright, First Secretary of the British Embassy, spoke to me today with regard to the communication of July 10, 1943 (copy attached),²⁰ addressed by the Secretary of State to Lord Halifax, setting forth this Government's understanding as to the precise scope of the decision reached at Casablanca regarding Turkey.

Mr. Wright stated that while the Embassy was not in possession of the texts of the decisions reached at Casablanca, it was his very clear understanding from the communication that he had received from Mr. Strang in this matter that the agreement arrived at between the President and Mr. Churchill regarding Turkey was closely tied up with questions of policy with respect to China; and that when the Prime Minister had requested and received permission from the President to assume primary responsibility for "playing the cards" with Turkey, he had amplified this request by referring to "diplomatic matters" in addition to the question of the direct delivery by Great Britain to Turkey of American Lend-Lease military supplies. Mr. Wright added that according to his understanding the minutes of the Casablanca meeting would bear out this interpretation.

I informed Mr. Wright that we also were not in possession of the texts of the agreements arrived at at Casablanca, but that I was interested to know that he believed exact minutes had been kept of all the conversations between the President and Mr. Churchill, and asked him whether he knew who had drawn up the minutes. He seemed to be rather vague on that point but felt certain that according to the understanding of the British Foreign Office, the President's concession to Mr. Churchill allowing him "to play the cards" with Turkey, embraced diplomatic matters in addition to those pertaining to military supplies.

Mr. Wright then said that the Embassy was not quite certain as to how it should proceed further in this matter, in the light of the Secretary's communication to Lord Halifax; whether they should reply to the Secretary, pointing out the contrary understanding entertained in London in this matter, or whether they should let the matter drop. I then informed Mr. Wright that the Secretary's letter had been cleared in highest quarters, and that consequently it seemed to me that it would serve no useful purpose to continue the correspondence. I said I was confident he would readily agree that this Government had had no intention of placing itself in the position of renouncing all right of

²⁰ *Supra.*

direct diplomatic relations with the Turkish Government. Otherwise there would, of course, be no need for maintaining an American Embassy at Ankara, nor any necessity for the presence in Washington of a Turkish Embassy.

Mr. Wright then added that if the present letter was to remain on the record there were certain minor details of his conversation with Mr. Alling on this subject, referred to in the letter, which he would beg permission to correct. It is my understanding that these details will not in any way affect the purport of the letter itself.

WALLACE MURRAY

711.67/121

Admiral William D. Leahy, Chief of Staff to the Commander in Chief of the Army and Navy, to the Secretary of State

WASHINGTON, July 16, 1943.

MY DEAR MR. SECRETARY: In accordance with a request made by Mr. Murray of the Department of State, I am forwarding herewith quoted extracts from the Minutes of the Casablanca Conference that bear on the Turkish situation.

These following quoted decisions were intended to bear exclusively on our combined war effort, and were made for the purpose of Allied military advantage.

CASABLANCA CONFERENCES

"1. At the 63rd meeting of the Combined Chiefs of Staff held at Casablanca, 20 January, the following conclusion was reached. The Combined Chiefs of Staff:

"a. Agreed that Turkey lies within a theater of British responsibility, and that all matters connected with Turkey should be handled by the British in the same way that all matters connected with China are handled by the United States of America.

"b. Agreed that, in particular, under the general direction of the Combined Chiefs of Staff, the British should be responsible for framing and presenting to both Assignments Boards all bids for equipment for Turkey. The onward dispatch to Turkey from the Middle East of such equipment will be a function of command of the British Commanders in Chief in the Middle East. They will not divert such equipment to other uses except for urgent operational reasons, and will report such diversions to the appropriate Munitions Assignments Board.

"2. In the Final Report to the President and Prime Minister, the final paragraph 8 reads as follows:

"We have agreed upon the administrative measures necessary to give effect to the decision that all matters connected with Turkey shall be handled by the British."

"3. At a meeting between the President, the Prime Minister, and the Combined Chiefs of Staff, held at the President's villa on 18 January 1943, the following is extracted from the minutes:

"The Prime Minister said that since most of the troops which would be involved in reenforcing Turkey would be British, he asked that the British be allowed to play the Turkish hand, just as the United States is now handling the situation with reference to China. The British would keep the United States advised at all times as to the progress being made.

"The President concurred in this view . . ."

"4. In Item 3 of the 92nd Meeting of the Combined Chiefs of Staff held in Washington, the Combined Chiefs of Staff:

"a. Took note of the action already proposed by the British Chiefs of Staff with regard to the provision of military supplies for Turkey.

"b. Agreed that with due regard to other important commitments, the assignment of the equipment as proposed by the British Chiefs of Staff should be made with the least possible delay.

"5. In their final report to the President and Prime Minister, Item 1, Section VI, reads as follows:

"The Combined Chiefs of Staff agreed at the Casablanca Conference that the British should be responsible for framing and presenting to the Munitions Assignments Boards all bids for equipment for Turkey. The Combined Chiefs of Staff have now agreed that, with due regard for other important commitments, the assignment of such equipment as may be agreed to by the Combined Chiefs of Staff should be made with the least practicable delay."

WILLIAM D. LEAHY

711.67/121

The Secretary of State to Admiral William D. Leahy, Chief of Staff to the Commander in Chief of the Army and Navy

WASHINGTON, July 22, 1943.

MY DEAR ADMIRAL LEAHY: I appreciate your courtesy in sending to the Department, in your letter of July 16, 1943, extracts from the Minutes of the Casablanca Conference which pertain to Turkey.

The Minutes confirm the Department's understanding, expressed in my recent letter to the British Ambassador in Washington, that nothing agreed upon at Casablanca limits in any way the full independence of action of the American Government in its political and economic relations with Turkey. Agreements entered into by the Combined Chiefs of Staff refer, of course, to military matters.

The Department's inquiry into this subject resulted from an apparent misunderstanding on the part of certain British authorities regarding the scope of the Casablanca agreements.

Sincerely yours,

CORDELL HULL

RELEASE OF AMERICAN AVIATORS INTERNED IN TURKEY²¹

740.00114A European War 1939/295 : Telegram

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

ANKARA, March 24, 1943—3 p. m.

[Received 9:45 p. m.]

547. The "escape" from time to time of a total of 15 of our interned aviators has prompted Turk authorities to express desire to be rid of the remaining 20 but as not being able to permit any further "escapes" lest serious complications with Axis ensue. As a result of prolonged discussions over past 2 months, Turk authorities have now expressed their willingness to release, provided no objection is raised by belligerents, both Allied and Axis aviators at present interned in Turkey totalling 69 comprising 20 Americans, 15 Russians, 7 British, 5 French (who desire to join General Giraud²²) 11 German and 11 Italian.

British and Russian Ambassadors²³ and our Military Attachés²⁴ are all agreed that in view of great preponderance in our favor and probability that in future more Allied than Axis aviators will be interned in Turkey it is decidedly to our advantage to urge Turk authorities to give effect to their desire.

Accordingly, unless instructed to contrary I shall inform Minister for Foreign Affairs that if 47 Allied aviators are immediately released Embassy will make no objection to release of 22 Axis aviators now interned in Turkey.

Please inform General Arnold²⁵ of the foregoing.

STEINHARDT

740.00114A European War 1939/295 : Telegram

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

WASHINGTON, March 26, 1943—5 p. m.

269. Your 547, March 24, 3 p. m. The War Department concurs with your proposed action but on the understanding that its approval

²¹ For previous correspondence, see *Foreign Relations*, 1942, vol. iv, pp. 789 ff.

²² French General Henri Honoré Giraud, who had escaped from German war imprisonment in early 1942, assumed the position of High Commissioner of French North Africa on December 26, 1942.

²³ Sir Hughe M. Knatchbull-Hugessen and Sergei Vinogradov, respectively.

²⁴ Col. Cornelius C. Jadwin and Maj. Robert C. Brown.

²⁵ Gen. H. H. Arnold, Commanding General, U.S. Army Air Forces.

in respect to the aviators presently interned is not to be construed as the initiation of a policy for the immediate release of any aviators, American or Axis, who in the future may make forced landings.

HULL

740.00114A European War 1939/299 : Telegram

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

ANKARA, March 27, 1943—7 p. m.

[Received 10:55 p. m.]

586. Department's 269, March 26. My 547, March 24. I very much appreciate Department's prompt reply. The informal discussions in this matter have at all times been predicated on the understanding that the release of the aviators presently interned in Turkey is not to be construed either as a precedent or as initiating a policy for the release of any aviators, Allied or Axis, who may make forced landings in Turkey in future. In agreeing today to release of all of the interned aviators, I have again made our position unmistakably clear on this point.

STEINHARDT

740.00114A European War 1939/335 : Telegram

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

ANKARA, April 22, 1943—4 p. m.

[Received April 23—5:51 p. m.]

756. My 547, March 24, and 744, April 19.²⁶ German Government has thus far withheld its consent to proposal for release of all of the interned aviators, apparently because number of Allied internees exceeds number of Axis internees. As a result Foreign Office, which considered matter settled, has recently shown considerable irritation with Germans. In consequence I regard the most recent escape as unlikely to prejudice release of all of the aviators should German consent ultimately be forthcoming. In meantime the more of our aviators who escape the more likely it will be that German Government will give its consent to proposal to release those still interned.

STEINHARDT

²⁶ Latter not printed; it reported the escape of two American aviators (740.00114A European War 1939/332).

740.00114A European War 1939/338 : Telegram

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

ANKARA, April 26, 1943—7 p. m.

[Received April 27—1:44 a. m.]

777. My 756, April 22, 4 p. m. Foreign Office states informally today that orders will be issued in a few days for the release of all aviators who were interned on March 26. This includes 20 Americans among them the two referred to in my 744, April 19,²⁷ who have since been apprehended by the Turkish authorities.

Please inform General Arnold.

STEINHARDT

740.00114A European War 1939/346 : Telegram

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

ANKARA, April 30, 1943—1 p. m.

[Received May 2—6:25 p. m.]

794. My 547, March 24, and 777, April 26. In general internees have now been released.

Sixteen of our 20 departed by train last night for Syria with instructions to report to American Military Attaché, Cairo. It is expected that our remaining four internees will depart in a few days. They consist of the two mentioned in my 744, April 19²⁷ and 777, April 26, who have not yet been released, Staff Sergeant Enoch G. Kusilauage and Captain William E. Sutton who remained behind to accompany others.

Seven British internees departed on same train for Syria.

Soviet Embassy advises their 15 internees will leave Ankara tomorrow by train for Soviet Union. One Soviet aviator who, because of his prior escape, was not included among the 15 whose release was negotiated has since been apprehended. The question of his release is under consideration.

The destination of the released French internees is still undecided.

Please inform General Arnold.

STEINHARDT

²⁷ Not printed.

740.00114A European War 1939/360 : Telegram

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

ANKARA, May 14, 1943—5 p. m.

[Received May 15—12: 42 p. m.]

903. Embassy's 744, April 19; 777 April 26; 794, April 30; 865 May 11.²⁹ Lippincott and Collum, two American interned aviators who endeavored to escape on their own and were apprehended by the Turk police, departed last night for Cairo. With their departure all of the 37 interned American aviators have been evacuated from Turkey to rejoin their units: 17 "escaped" over the past few months and 20 have been released under the recent understanding with Turk authorities.

Please inform General Arnold.

STEINHARDT

811.2367/12 : Telegram

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

ANKARA, August 8, 1943—11 p. m.

[Received August 9—9: 30 p. m.]

1388. I discussed with the Minister for Foreign Affairs³⁰ yesterday the status of the various American aviators interned in Turkey after the Ploesti raid.³¹ I suggested to him that the survivors of the crew of the *Liberator* which crashed off the coast and who were rescued by the Turkish coast guard be regarded as "shipwrecked mariners" and be released, and that all of the wounded aviators (some of whose wounds are very light) be regarded as unfit for further military service and be released and that subsequently the Turkish General Staff be instructed not to interpose too many barriers in the path of attempted escapes by others. Numan replied that he would give serious consideration to the release of the "shipwrecked mariners" and the wounded, and that he would suggest to the General Staff that they should not take "exceptional measures" to prevent escapes but that we must not embarrass him by "too many escapes" in the immediate future and particularly while the internment of the planes and crews was in the public eye. He added that "unfortunately" there were no German or Italian internees whose release could constitute a basis for exchange. He agreed to the immediate transfer of all the wounded to the American hospital in Istanbul.

Please inform General Arnold of foregoing.

STEINHARDT

²⁹ Telegrams No. 744 and No. 865 not printed.

³⁰ Numan Menemencioglu.

³¹ The August 1 air raid on the oil refineries at Ploesti in Roumania; certain telegrams from the Ambassador in Turkey during the period August 2-5 had reported the crash-landings of several American aircraft in Turkish Thrace and in the Mediterranean.

811.2367/11 : Telegram

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

WASHINGTON, August 13, 1943—8 p. m.

680. Your 1362, August 5, midnight,³² and your 1388, August 8, 11 p. m.

[Here follows paragraph regarding problems of American newspaper correspondents in Turkey with respect to their home offices in the United States.]

With reference to question of release of the personnel, the War Department has suggested that you might use as a bargaining point the Turkish request for the training of a Turkish crew in the United States to operate a B-24 (your telegram No. 1303, July 30, 4 p. m.³²). If you consider it would be helpful and are able to link in any way the two matters, the War Department authorizes you to promise the training of one crew in the United States.

It may be helpful in your negotiations to point out that whenever American planes land in Spanish territory, the crews are released within a very short time, usually after transfer to Madrid. Of the 91 American airmen, for instance, who had landed in Spanish Morocco and Tangier³³ up to the last report (June 2), all had been released except one pilot who was awaiting favorable weather for his return to American-controlled territory. The Spanish authorities intern the planes, but the secret instruments are removed and promptly delivered uncompromised to the American Embassy at Madrid. Negotiations have been going on for some time for the purchase of certain of the planes by the Spanish Government, at production cost. No plane has been given to Spain.

The Department has every reason to hope that the Turkish Government certainly will be as cooperative as that of Spain. Mention need only be made of the Lend-Lease supplies being accorded Turkey, our action in presenting as an outright gift the four bombers which landed in Turkey last year, the generous facilities we have been according Turkey in the question of transportation for Turkish officers and their families between Turkey and the United States (much more liberal treatment than we accord American officials), the facilities we grant for training Turkish officers, et cetera.

HULL

³² Not printed.

³³ For correspondence regarding this subject, see pp. 729 ff.

811.2367/16 : Telegram

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

ANKARA, August 25, 1943—7 p. m.

[Received 8 : 43 p. m.]

1471. I have been informed today that Turkish Government has accepted validity of argument that the seven survivors of the crew of the *Liberator* which crashed off coast of southern Turkey be regarded as "shipwrecked mariners" (my 1388R, August 8) and has ordered their release.³⁵

Please inform General Arnold.

Repeated to Cairo for General Breton [*Brereton*].³⁶

STEINHARDT

811.2367/25 : Telegram

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

ANKARA, November 14, 1943—9 p. m.

[Received November 15—1 : 04 p. m.]

1872. In conversation with the Foreign Minister last night I referred to the fact that some of our internees from the last Ploesti raid were still in Turkey and that there had been seven recent arrivals from one of our planes which had bombed Salonika. Numan suggested I send him a list of "priorities" and promised to release "a dozen at once". I left with him a previously prepared list of 15 of our internees whose release General Tindall³⁷ desires at the present time. On the release of these 15 aviators only 17 of our 119 internees will remain in Turkey with the probability that their release can be effected in near future.

Please inform General Arnold of the foregoing.

STEINHARDT

811.2367/26 : Telegram

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

ANKARA, December 18, 1943—3 p. m.

[Received December 19—6 : 45 a. m.]

2048. An additional 15 of our interned aviators left Ankara yesterday with instructions to report to USAFIME in Cairo. With

³⁵ In telegram No. 1596, September 21, 10 a. m., the Ambassador reported that the 15 aviators in question had been released by the Turkish Government (811.2367/19).

³⁶ Maj. Gen. Lewis H. Brereton, Commander, U.S. Army Forces in the Middle East (USAFIME).

³⁷ Brig. Gen. Richard G. Tindall, Military Attaché in Turkey, since June 12, 1943.

their departure only seven of the total of 119 interned aviators remain in Turkey. Of these seven, two are still in the hospital and the services of four who are all enlisted men are being availed of by the Military Attaché of the Embassy to perform various essential functions for which other enlisted men would probably have to be sent to Ankara in the event of the departure of these men.

Please inform General Arnold of the foregoing.

STEINHARDT

**REPRESENTATIONS TO THE TURKISH GOVERNMENT ON BEHALF OF
AMERICAN INTERESTS AFFECTED BY TURKISH CAPITAL LEVY
TAX**

867.5017/23 : Telegram

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

ANKARA, November 16, 1942—6 p. m.
[Received November 17—10:25 p. m.]

1166. The Turkish Government devoted its whole attention last week to the economic difficulties confronting the country. Two important measures introduced by the Government were enacted by the Grand National Assembly. The most radical of these was a tax on wealth designed to reduce the amounts of money in circulation which has been steadily increasing since the outbreak of the war and is now approaching 700,000,000 Turkish pounds. This tax is to be levied a single time on rich persons and on those who have realized extraordinary profits such as merchants, real estate owners and wealthy farmers. The amount of the tax to be collected from each person is to be fixed by commissions appointed in each community comprising representatives of the Government and of the municipal councils, chambers of commerce and agriculture. The law provides that the assessments must be made within 15 days and the tax collected within the following 15 days. Persons who fail to pay tax within 1 month will be obliged to perform forced labor. The Government considers that in addition to increasing the purchasing power of Turkish money the tax will eliminate popular animosity against speculators and bring about a lowering of prices as a result of the forced sale of large stocks of merchandise in order to raise money to pay the tax.

[Here follows section on other aspects of the economic program of the Turkish Government.]

STEINHARDT

867.512/212 : Telegram

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

ANKARA, December 26, 1942—3 p. m.

[Received 11:50 p. m.]

1352. Inasmuch as the enforcement of the extremely drastic capital levy now being applied in Turkey will probably result in the ruin of most of the business houses representing American manufacturers the Embassy suggests that American shippers be warned of the advisability of communicating again with their Turkish customers before actually effecting shipment. With very few exceptions American business is represented by minority firms against whom the capital levy is principally directed. It is believed that most of these firms will be forced out of business although it is not clear as yet whether it is the intention of the Turkish Government to close irrevocably the large minority business houses which have been subjected to confiscatory taxation or whether they will be operated under Turkish ownership and direction or placed under Turkish direction and the management of the former owner.

STEINHARDT

867.512/210 : Telegram

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

WASHINGTON, January 13, 1943—5 p. m.

40. Your 1166, November 16, 6 p. m., and your 1318, December 19, 8 p. m.³⁸ The Department understands that the Turkish Ambassador,³⁹ having informed his Government of reports that the capital levy tax was being imposed so as to discriminate against non-Moslem Turks, has received a reply denying such discrimination. It seems clear from your telegrams and those of American firms and institutions in Turkey, however, that serious discrimination exists.

The Department is aware that the Turkish authorities will regard the capital levy tax as an internal matter. However, if the impression should become widespread in America that the Turkish Government is reverting to the persecution of minorities on religious grounds, considerable damage might be done to American-Turkish relations. The Greek Archbishop in America has informed the Department that his numerous co-religionists here are seriously disturbed over the difficulties which the Patriarchate faces as a result of the tax. Jewish leaders have for some time pressed for a more accommodating attitude by Turkey towards Jewish refugees, and evidence of a tax

³⁸ Latter not printed.³⁹ Mehmet Münir Ertegin.

discrimination against Turkish Jews and other Jews might give additional cause for latent anti-Turkish feeling. The missionary interests may be aroused by any indication of a renewal of discrimination against Armenians.

While the Department does not suggest your discussing the subject with the Turkish authorities at this time, it desires to be kept fully informed of developments. It will be of particular interest to learn the effect of the tax on Axis as well as other foreign interests in Turkey and of any representations which may be made to the Turkish Government on the subject by other powers.

For your information, the directors of Robert College seem disposed to refuse payment of the tax on the College and to take the occasion to test the attitude of Turkey toward the institution.⁴⁰ The Turkish Ambassador here is expected to recommend a Turkish Government subsidy to the College equivalent to the amount of the tax.

HULL

867.512/215 : Telegram

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

ANKARA, January 18, 1943—5 p. m.

[Received January 19—11:59 p. m.]

119. Department's 40, January 13. Although the date for the final payment of the capital levy tax expires today in Istanbul less than 25% of the total assessed in that city (344,000,000 Turkish pounds) has been paid, according to the press the total amount assessed in the whole country is approximately 455,000,000 Turkish pounds, of which about 170,000,000 have been paid. Seizures of both movable and immovable property [apparent omission] but the full measure of the burden imposed on the minorities will not be apparent for another week or so. The evidence of discrimination against minorities is so irrefutable—although not provided for in the law itself—that there can be no question but that the local boards assessing tax were following a general Government directive. High Government officials deny this in private conversation but admit that injustices have occurred in many individual cases which should be remedied.

The law excludes any appeal from assessments made by local tax commissions. Consequently the only remedy against injustice is the constitutional one of a petition to the Grand National Assembly. The press reports that more than 3000 such petitions have already been

⁴⁰ For correspondence concerning earlier representations by the United States regarding taxation of American colleges in Turkey, see *Foreign Relations, 1942*, vol. iv, pp. 834-835.

received by the Assembly and that they have been referred for examination to the Ministry of Finance in accordance with the usual parliamentary procedure. However, the Assembly adjourned January 15 sine die without providing any relief for the petitioners and the new Assembly will not meet until March 8. Announcement was made at the same time that the filing of petitions for relief will not operate to suspend the penalties provided for under the law.

Regulations for the application of the articles of the law imposing compulsory labor on those who do not pay the amount of the tax levied were published in the *Official Journal* of January 12. These regulations give wide discretionary powers to local officials and are susceptible of being administered with great rigor toward delinquents.

Practically all of the diplomatic missions in Ankara have submitted formal protest against the law (either general in nature or covering specific cases), based on either treaty rights or on discrimination and confiscation. It is reported that the German Embassy and Swiss Legation are providing the funds to assist those of their nationals who are unable to pay the tax. It is also reported that the Bulgarian radio has threatened reprisals against Turkish minority in Bulgaria should Bulgarians be unjustly taxed. In reply to the protests the various diplomatic missions have received similar long notes from the Minister of Foreign Affairs⁴¹ apparently identical, denying that there has been any discrimination against foreigners in the imposition of the tax and pointing out that the only relief is through petition to the Grand National Assembly.

The substance of the note received by the Embassy is as follows: The difficulties occasioned by the war have caused many governments to impose severe restrictions and privations which the Turkish Government although almost completely mobilized was able to avoid for a long time. Recently however the peasants were required to surrender 25% of their produce far below prevailing price. Mine workers have been subjected to obligatory labor and now the Government finds itself obliged to tax wealth which at the same time affords an opportunity of striking at the war profiteers. The tax imposed on wealth has been applied in accordance with the principles of justice and equity, the only purpose being to alleviate the extraordinary burdens growing out of the war. No clause of the law can be considered as in any manner discriminatory against foreigners. In its application the law makes no distinction between nationals and foreigners. In levying the assessments consideration was given not so much to the individual's salary or the capital of a firm as to the general wealth of the taxpayer. The provisions of the law preclude any review, the obligation to pay within a fixed period of time being

⁴¹ Numan Menemencioğlu.

peremptory. However, without suspending the operation of the law, individuals may petition the Grand National Assembly in cases of manifest error which are supported by conclusive evidence. It is for the Grand National Assembly to decide whether the application for relief is well founded. In conclusion the note expresses the hope that the Embassy will appreciate the Turkish Government's efforts to stabilize conditions in the country and will make its contribution to that end in the interests of the welfare of all of the inhabitants of Turkey.

The Embassy has presented three notes of protest to the Ministry of Foreign Affairs. The first on behalf of the firm of Sadullah, Mandel and Levy of Istanbul of which the last two named are American citizens and own 70% of the firm. As previously reported this firm has been taxed 300,000 Turkish pounds on a capital of 140,000 Turkish pounds. The second protest has been made on behalf of Nicholas Ballardur, an American citizen employed by the Socony-Vacuum Oil Company who was assessed 1,500 Turkish pounds although Turkish employees of the company receiving much higher salaries were not taxed at all. The third note was presented on behalf of the Socony-Vacuum Oil Company objecting to double taxation to the amount of about 120,000 Turkish pounds.

The injustice arising out of the application of the capital levy tax continue to be the principal topic of conversation in Turkey. Even the Prime Minister in interviews which he has given to the press admits that mistakes have been made and injustices committed in individual cases which he states should and will be remedied. It remains to be seen what action the authorities propose to take.

STEINHARDT

867.512/216 : Telegram

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

ANKARA, January 22, 1943—6 p. m.
[Received January 24—1:30 a. m.]

147. Walker of Socony-Vacuum Oil Company informed me today that seizure of one of his company's tanks at Serviburnu which resulted from failure of company to pay a double assessment under capital wealth tax has been lifted and that he has been advised by a competent source that assessments occasioned by double taxation will be withdrawn by respective local authorities. He also informed me that authorities in Istanbul are withdrawing their prosecution of Socony-Vacuum Company for failure to deposit its unremitted profits in a blocked account in Central Bank.

In taking foregoing action Turk authorities are giving effect to recent assurances given me by the Foreign Minister.

STEINHARDT

867.512/212 : Telegram

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

WASHINGTON, January 23, 1943—4 p. m.

80. Your 92, January 15, 1 p. m.⁴² On basis of your no. 1352, December 26, Department of Commerce issued a strictly confidential announcement to its District offices early in January, stating that American exporters should be advised in confidence to verify conditions of their correspondents in Turkey before making further shipments, in view of capital levy tax. Erroneous reports subsequently reached the Turkish Embassy that the State Department had embargoed further shipments to Turkey in retaliation for discriminations of capital levy tax.

Department was able to correct false impression created. However, before suggesting to Commerce that a further warning to exporters be given as suggested in your 92, Department has discussed matter with Turkish Ambassador. Latter has requested urgently that no further notice be given until he can consult his Government. Department has agreed, and has informed him that while American Government has an obligation to keep American merchants informed of events abroad important to their affairs, Department is glad to avoid as far as possible embarrassment to Turkish Government at present time. Ambassador expressed hope that Turkish Government would agree to guarantee American exporters against loss if they continue to ship.

HULL

867.512/212 : Telegram

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

WASHINGTON, January 29, 1943—5 p. m.

94. Department's 80, January 23, 4 p. m. Turkish Ambassador has received instruction from Ankara stating that von Papen⁴³ has also raised with Turkish Government question of possible inability of Turkish merchants, due to capital levy, to pay for imports ordered, and has been assured that Turkofis⁴⁴ would guarantee payment. Turkish Ambassador was authorized to give American Government same assurance.

⁴² Not printed.

⁴³ Franz von Papen, German Ambassador in Turkey.

⁴⁴ Trade Office, a bureau of the Turkish Ministry of Commerce having charge of imports and exports.

Department is considering recommending to Department of Commerce issuance of statement to American exporters regarding Turkish Ambassador's assurance to us. However, in view of possibility that you may have had other than purely commercial considerations in view in recommending caution to American shippers, Department would appreciate your urgent comments.

HULL

867.512/219 : Telegram

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

ANKARA, January 30, 1943—10 p. m.

[Received January 31—8:55 a. m.]

196. Department's 94, January 29, 5 p. m. I perceive no objection to the Department recommending to the Department of Commerce the issuance of a statement to American exporters to the effect that the Turkish Government is prepared to guarantee payment to American exporters for exports to Turkey which Turkish merchants are unable to pay for on account of the capital tax.

STEINHARDT

867.512/219

The Department of State to the Department of Commerce

WASHINGTON, February 4, 1943.

MEMORANDUM TO BUREAU OF FOREIGN AND DOMESTIC COMMERCE

The Division of Commercial Affairs of the Department of State transmits, herewith, three copies of a telegram No. 196, dated January 30, 10:00 p. m., from Ankara,⁴⁵ recommending the issuance of a statement to American exporters to the effect that the Turkish Government is prepared to guarantee payment to American exporters for exports to Turkey which Turkish merchants are unable to pay for on account of the capital tax. The Turkish Embassy, however, has requested of the Department that no public statement be made upon this subject, since it is believed that to make a statement now would tend to revive the question and might give the impression that new difficulties had arisen.

Accordingly, the Department requests that the Department of Commerce send a notice, not for publication, to its regional offices for the information of interested exporters which might read as follows:

"Question is understood to have been raised among American exporters to Turkey regarding the possible inability of Turkish

⁴⁵ *Supra.*

importers, in view of the recently enacted tax on wealth in Turkey, to pay for goods shipped from the United States. The Turkish Ambassador in Washington has informed the Department of State that he has been authorized by his Government to assure American shippers that the Turkish Trade Office, an official agency of the Turkish Government, will make the necessary arrangements to prevent transactions from being defaulted because of the tax, should any necessity for such arrangements arise.”

867.512/223

Memorandum by the Adviser on Political Relations (Murray) ⁴⁶

[WASHINGTON,] February 19, 1943.

You will recall the recent action of the Turkish Government in levying a drastic Capital Levy Tax. Ambassador Steinhardt has reported by telegraph clear evidence that the tax has been assessed in a manner markedly discriminatory against the minority races in Turkey, notably the Greeks, Jews and Armenians.

The attached despatch from Ankara, dated January 20, 1943, encloses copies of strong notes ⁴⁷ which Ambassador Steinhardt sent to the Turkish Government in behalf of an American firm and two American individuals protesting against the assessments levied. The notes make out indisputable cases for discrimination, and in one case, that of the Socony-Vacuum Oil Company, we know that favorable results have already been obtained.

It seems to me that Ambassador Steinhardt has handled this matter particularly well. Without requiring instructions from the Department, he has been prompt to represent the American interests concerned in an able and forthright manner. The Capital Levy Tax has presented a difficult and delicate problem for all foreign embassies in Turkey—Axis, Allied and neutral. In a situation of this kind, strong and direct language to the Turks was thoroughly justified, and I believe it is the best method of dealing with them.

It will be noted that not only did Ambassador Steinhardt make firm representations, but when the Turkish Foreign Office came back with a stereotype reply, the Ambassador went back at the Turks again in a forceful rejoinder, reiterating his arguments concerning discrimination against American citizens.

Although the indications of the revival of an undesirable type of nationalism in Turkey are disturbing, I am hopeful that in actual practice adjustments will be made ameliorating the worst cases of

⁴⁶ Addressed to the Secretary of State and the Under Secretary of State (Welles).

⁴⁷ None printed.

discrimination. At any rate, our Ambassador has done a first-rate job, on his own, to protect the American interests concerned.

WALLACE MURRAY

867.512/239 : Telegram

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

ANKARA, June 22, 1943—7 p. m.

[Received June 24—4:30 a. m.]

1103. My 708, April 14, 7 p. m.⁴⁸ During the past few days the Secretary General of the Ministry for Foreign Affairs⁴⁹ has summoned to the Ministry the Chiefs of Mission or Counselors of most of diplomatic missions which have submitted protests to the Ministry for Foreign Affairs with regard to assessments under the capital levy tax against their nationals, with a view to handing them lists of revised taxes levied against their nationals. Prior to presenting the lists the Secretary General explained that the revised taxes represented the final decision of the Turkish authorities, that there could be no further discussion concerning the amount of the taxes, that the taxes must be paid within 15 days and that if they were not paid within this time the penal sanctions provided by the law would be applied to the individuals. The British Counsellor⁵⁰ and the Swiss Minister⁵¹ refused to accept the lists of revised taxes. The German and Italian Ambassadors⁵² received the lists subject to the reservation, which they are confirming in writing, that they did not acquiesce in the procedure followed by the Turkish Government in the matter.

The British Counsellor declined to accept the list of revised taxes on British subjects upon being advised by the Secretary General that the list was being submitted to the British Embassy for its information and not for comment and that the individuals would have no right of appeal. The British Ambassador subsequently saw the Turkish Minister for Foreign Affairs with regard to the matter, but no agreement was reached as each side maintained its position. In the meantime London has approved the position taken by the British Embassy.

The Turkish authorities have not as yet approached me in respect to the two American citizens, concerning whose cases the Embassy has made representations.

STEINHARDT

⁴⁸ Not printed.

⁴⁹ Ali Sevki Berker.

⁵⁰ A. K. Helm.

⁵¹ Etienne Lardy.

⁵² Franz von Papen and Raffaele Guariglia, respectively.

867.512/243 : Telegram

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

ANKARA, September 6, 1943—1 p. m.
 [Received September 7—3:07 a. m.]

1521. [Here follows account of the continuing impact of the capital levy tax on certain groups in Turkey.]

While there appears to be no provision in the law for any adjustments in the amount of the tax the Turkish Government has nevertheless made no secret that it has been bargaining with diplomatic representatives of foreign tax delinquents and accepting in many cases greatly reduced assessments in final settlement. British subjects were assessed a total of about 7,000,000 Turkish pounds and final adjustment has now been made in oil [*all?*] except two cases with a total payment of approximately 2,500,000. Assessments against Greeks, Belgians, Swiss and Dutch have also been reduced with the Greeks receiving the least favorable treatment.

As regards the three American cases, Socony-Vacuum has already received notice of the cancellation of one of its double assessments and should be notified of the cancellation of the other two in the near future. Mandel's assessment of 300,000 pounds on which he paid 30,000 pounds was reduced to 75,000 pounds and as the result of a further talk between the Minister for Foreign Affairs and myself has now been settled for the amount already paid by him to wit 30,000 pounds. No action has been taken in the case of Ballardur where the assessment was 1500 pounds as the Government does not yet appear to have taken up assessments as small as this.

STEINHARDT

**REPRESENTATIONS BY THE AMERICAN AND BRITISH EMBASSIES IN
 TURKEY TO THE TURKISH GOVERNMENT REGARDING THE TRANSIT
 OF CERTAIN GERMAN VESSELS THROUGH THE STRAITS⁶³**

767.68119/1044 : Telegram

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

ANKARA, September 8, 1943—2 p. m.
 [Received 8:05 p. m.]

1530. As the result of representations by the British Embassy and ourselves the Turkish Government has decided to hereafter prohibit

⁶³ For previous correspondence on the passage of Axis vessels through the Straits, see *Foreign Relations*, 1942, vol. iv, pp. 805 ff. For the Montreux Convention regarding the regime of the Straits signed July 20, 1936, see League of Nations Treaty Series, vol. CLXXIII, p. 213; for correspondence on the interest of the United States in this convention, see *Foreign Relations*, 1936, vol. III, pp. 503 ff.

the transit thru the Straits of so-called barges of which the Germans have thus far transited light.

The representations made by the British and ourselves were based on information to the effect that these so-called barges altho giving the outward appearance of being commercial vessels were built solely for military purposes and that on their arrival at Greek ports they discharge military supplies and the crews immediately don German naval uniforms.

The Turkish Government anticipates a vigorous protest from the German Embassy as soon as the prohibition is made effective, particularly as a considerable number of these barges have been constructed by the Germans during the past year in Bulgarian and Rumanian ports.

STEINHARDT

PROBLEMS INVOLVING THE TURKISH AID PROGRAM; PROPOSAL BY THE UNITED STATES FOR A LEND-LEASE AGREEMENT⁵⁴

867.24/533 : Telegram

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

ANKARA, January 6, 1943—7 p. m.

[Received January 7—10 a. m.]

36. Department's 635, December 5, and 1, January 1.⁵⁵ I have today discussed with the Minister for Foreign Affairs⁵⁶ in a friendly but frank spirit the willingness of Department to accommodate Turkish Government in its desire to purchase or charter two or three vessels but only on the basis of a *quid pro quo*. I pointed out to Numan that while my Government had made sacrifices to meet various requests of Turkish Government such as the recent delivery of 15,000 tons of wheat⁵⁷ and the promise to make tonnage available for the shipment to the United States of 15,000 tons of tobacco in 1943, Turkish authorities had failed to provide any substantial quantities of the essential commodities desired by us and that in consequence two or three vessels could only be made available to Turkish Government on a more reciprocal basis. Numan was frank in admitting the justice of our position and inquired as to the specific commodities desired. I suggested the following selected from the joint British-American preemptive list:⁵⁸ Copper, antimony, skins, mohair, valonia, valex, hemp, olive oil, oil seeds and silk waste. Numan examined the list and re-

⁵⁴ Continued from *Foreign Relations*, 1942, vol. iv, pp. 677-708.

⁵⁵ *Ibid.*, pp. 740 and 741, respectively.

⁵⁶ Numan Menemencioglu.

⁵⁷ For correspondence regarding this subject, see *Foreign Relations*, 1942, vol. iv, pp. 727 ff.

⁵⁸ For correspondence regarding the joint United States-United Kingdom preemptive purchase program in Turkey, see pp. 1111 ff.

marked that there were several commodities which were not available such as olive oil but that there were others which Turkish Government might at great sacrifice be able to provide in quantities commensurate with Turkish production. He suggested I leave the list with him and said after he had conferred with the competent authorities he would inform me as to the quantities of the various commodities Turkish Government could make available for purchase by us in exchange for the sale or charter to it of two or three vessels.

STEINHARDT

867.24/524 : Telegram

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

WASHINGTON, January 16, 1943—midnight.

60. Your 1385, December 31, 9 p. m.⁵⁹ Copy of proposed master agreement and supplementary exchange of notes, together with covering *aide-mémoire*, are being transmitted to you.

Text of master agreement follows closely other Lend-Lease agreements into which this Government has entered, although a supplementary exchange of notes with Turkey will be proposed, containing the following provisions:

"1. Foodstuffs and other supplies provided for the use of the civilian population of Turkey under the Act of March 11, 1941⁶⁰ henceforth shall be furnished on the basis of current payment by the Government of Turkey, and other goods and services may be furnished on that basis by agreement from time to time. In the absence of special agreement, such payment shall be in United States dollars; however, by agreement between the two Governments prior to delivery payment may be made in Turkish pounds or in goods or services. Articles obtained by the Government of Turkey in accordance with the provisions of this paragraph become the property of that Government, and are therefore excluded from the provisions of Article V of the agreement.

"2. Such payments as may be made in Turkish pounds shall be deposited to the credit of the Government of the United States in a depositary in Turkey to be selected by that Government. These deposits may be freely drawn upon and used by the Government of the United States. The Government of Turkey will permit the exportation to any destination desired by the United States of any materials and products purchased by the United States with such deposits, either from the Turkish Government or with its concurrence.

"3. The other obligations of our two Governments in respect of mutual aid will be satisfied in accordance with the provisions of the agreement signed this day."

You will be informed when the proposals are given to the Turkish Ambassador here, which we hope will be in the near future.

HULL

⁵⁹ Not printed.

⁶⁰ 55 Stat. 31.

867.24/557 : Telegram

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

ANKARA, January 22, 1943—4 p. m.

[Received January 24—1:35 a. m.]

145. Department's 1, January 1, and 635, December 5.⁶¹ My 36, January 6. Foreign Minister asked me to call yesterday and said that he, Prime Minister, and Minister of Commerce had discussed our desire to acquire substantial quantities of essential commodities in Turkey as a *quid pro quo* for sale or charter to Turkish Government of two or three vessels. Numan said that they had been in agreement as to justice of our position in view of sacrifice American Government would be obliged to make in selling or chartering two or three vessels to Turkey at this time. He added that an additional motive was desire of Turkish Government to give tangible evidence of its appreciation for consideration shown by American Government in recently providing 15,000 tons of wheat for Turkey and in agreeing to make available shipping space to move 15,000 tons of Turkish tobacco in 1945 without having sought a *quid pro quo*. He then handed me a memorandum listing following commodities and quantities of each which he said Turkish Government was prepared to make available for purchase by United States:

The list is as follows. All quantities are tons: Copper 2,000; mohair (quota already allocated in 1942) 800; skins of small animals 1,000; valonia 4,000; valonia extract 250; silk cocoons 50; silk waste (according to quantities available on the market); hemp thread 1,000; cotton waste 500; woolen rags 250; sesame 1,000; poppy seeds 400; linseed 500; hemp seeds 200; sunflower seeds 1,000; ground nuts 500; pistache nuts 3 or 400; licorice 10,000; attar of roses 50 to 75 kilograms.

Numan pointed out that the British were pressing him for substantial amounts of most of the above commodities and that it was necessary for him to reserve approximately the same quantities for the British. He estimated the total value of the above list at 12 million Turkish pounds and concluded with the request that I inform the Department that the sale of these essential commodities in these amounts to the United States would represent a real sacrifice by the Turkish Government. As I was leaving he jokingly asked me how soon he might expect the "four" vessels.

As the Department is aware, Turkish prices for all commodities are extremely high at least in part as the result of competitive bidding between the Axis and ourselves. In consequence it would seem inadvisable to even intimate to the Turkish Embassy the price to be asked

⁶¹ *Foreign Relations, 1942*, vol. iv, pp. 741 and 740, respectively.

for any vessels the Department may contemplate selling or chartering to the Turkish Government until the prices to be paid by us for the several commodities have first been ascertained. In this connection the Department may wish to consider the desirability of offsetting the cost of the vessels against the cost of the commodities.

STEINHARDT

867.24/618

*Memorandum by the Combined Secretariat of the Munitions
Assignments Board*

[WASHINGTON,] January 22, 1943.

ASSIGNMENTS FOR TURKEY

Note by Secretaries

The following agreements⁶² announced by the Combined Chiefs of Staff are published for the information and guidance of all concerned:

1. Turkey lies within a theater of British responsibility. All matters connected with Turkey should be handled by the British in the same way in which all matters connected with China are handled by the United States.

2. In particular, under the general direction of the Combined Chiefs of Staff, the British should be responsible for framing and presenting to both Assignments Boards⁶³ all bids for equipment for Turkey. The onward despatch to Turkey of special equipment to the Middle East will be a command function of the British commanders in chief in the Middle East. Except for urgent operational reasons, they will not divert such equipment to other uses. They will report any such diversion to the appropriate Munitions Board.

E. C. KIELKOPF
T. E. H. BIRLEY

867.24/619

*Memorandum of Telephone Conversation, by Mr. George V. Allen of
the Division of Near Eastern Affairs*

[WASHINGTON,] January 29, 1943.

Mr. May⁶⁴ telephoned today to report that he and Colonel Baird, Chief of the Liaison Branch, International Division, Service of Sup-

⁶² Reached at the Casablanca Conference between President Roosevelt and British Prime Minister Winston S. Churchill, January 14-January 24; correspondence regarding this conference is scheduled for publication in a subsequent volume of *Foreign Relations*.

⁶³ There was also a Munitions Assignments Board in London.

⁶⁴ Richard May of the Lend-Lease Administration.

ply, War Department, had just returned from the Turkish Embassy, where Colonel Baird had informed the Turkish Military Attaché⁶⁵ of the decision that henceforth the British military authorities in Washington would present the bids for Turkish military requirements before the Munitions Assignments Board. Mr. May and Colonel Baird were accompanied by Mr. Powell, OLLA.⁶⁶ The Turkish officials present, in addition to the Military Attaché, were the Turkish Air Attaché⁶⁷ and the Chief of the Turkish Supply Mission in the United States, Mr. Eranil.

Mr. May said that although the meeting was conducted on a plane of entire cordiality, the news was received by the Turks as a "stunning blow". After a few minutes of discussion the Air Attaché requested permission to ask the Turkish Ambassador whether he had received any information concerning the decision. A few minutes later he returned to say that the Ambassador had not had any intimation of the decision and that the news had been a tremendous shock to him. The Air Attaché, who was the most excitable of the three Turkish officials present, expressed the view that the Turkish Government should immediately inform both the British and American Governments that Turkey henceforth desired no assistance from either the United States or Great Britain. The American representatives, aided by the two other Turkish officials, are said to have succeeded in calming him down. However, Mr. Eranil, a sober-minded Turkish engineer, expressed complete dismay. He said arrangements had just been completed for the setting up of a considerable office in Washington to cooperate with the American authorities in connection with the institution of direct American-Turkish Lend-Lease relations. He pointed out that a building had recently been acquired and that personnel was en route from Turkey. He expressed the view that the entire project should be canceled. Mr. May thinks that he was able to dissuade him from this rash action. Mr. May pointed out that the Turkish authorities would need a considerable organization in Washington to work with the British in preparing Turkish military requirements, and that the office would also be useful in handling matters direct with the American authorities which did not relate to the Munitions Assignments Board.

Mr. May said that the Turkish Military Attaché expressed the firm conviction that the decision to permit Great Britain to retain control of American Lend-Lease munitions to Turkey had resulted from a commitment by Great Britain to "another Ally" (Russia) to keep Turkey weak. The Attaché declared that following the Russian

⁶⁵ Cemal Aydinalp.

⁶⁶ Office of Lend-Lease Administration.

⁶⁷ Tekin Ariburun.

attack on Poland during the winter of 1939-40, the Turkish Government was convinced that Russia intended to attack Turkey from the Caucasus and that if Turkey had shown any signs of weakness at that time, Turkey would have suffered the same fate of invading armies as had Poland. He said that in order to prevent the attack, large movements of Turkish troops to the Caucasus frontier had been necessary. Continuously since that time Russia had striven to keep Turkey weak, and Great Britain had been forced to concede to Russian insistence in this regard. He felt confident that British insistence upon controlling American Lend-Lease shipments to Turkey was a result of this agreement.

Mr. Allen requested Mr. May to let the Department have a full report of his conversations.

867.24/616

*Memorandum by the Chief of the Division of Near Eastern Affairs
(Alling) to the Assistant Secretary of State (Acheson)*

[WASHINGTON,] January 29, 1943.

MR. ACHESON: With reference to our conversation yesterday concerning the intention of the War Department and the Office of Lend-Lease Administration to inform the Turkish authorities here of the decision that the British would henceforth bid on the Turkish requirements before the Munitions Assignments Board, I attach a memorandum of conversation⁶⁹ regarding the notification.

I may say that immediately following the receipt in Washington of the decision that the British would bid on Turkish requirements, Mr. May, OLLA, called Mr. Allen of this Division to discuss the best means of dealing with the situation with which his office was confronted as a result of the decision. Mr. Allen raised the same point which you raised yesterday, i.e., why was it necessary to "break the news to the Turks" at all? Mr. Allen suggested that it might be better to allow matters to take their course, certainly for the time being, until more information had been received regarding the actual decision reached. Yesterday morning, however, Mr. May called to say that Colonel Baird had received instructions from the Munitions Assignments Board which made it necessary that he discontinue the type of collaboration with the Turkish military officials which he had been carrying on for several months. In view of the impossibility of avoiding, even for a few days, some statement to the Turks, Colonel Baird felt it preferable to convey the necessary information in a personal interview rather than by means of a letter. Consequently, Colonel Baird had

⁶⁹ *Supra.*

made an appointment with the Turkish Military Attaché. Mr. May was glad to accompany Colonel Baird, since his office was faced with an entirely similar situation. He thought that it would be much more courteous to call on the Turkish military officials with whom they had been dealing continuously and most pleasantly from day to day, rather than to be forced to tell them suddenly without warning on the occasion of their next call to discuss Turkish requirements.

Mr. May emphasized that the Lend-Lease representatives and Colonel Baird discussed the subject only with the Turkish military and supply officials, and did not have any discussions with Turkish diplomatic officials.

There is attached a copy of a secret memorandum, which Mr. May has given us, issued by the secretariat of the Munitions Assignments Board ⁷⁰ for the guidance of all concerned, embodying the Casablanca decision. Both Colonel Baird and Mr. May regard these instructions as mandatory.

PAUL H. ALLING

867.24/572

The Turkish Ambassador (Ertegin) to the Secretary of State

The Turkish Ambassador presents his compliments to the Honourable Secretary of State and has the honour to inform him that in compliance with the suggestion made by the Lend-Lease Administration a Turkish Supply Office, attached to this Embassy, has been established at 2202 Massachusetts Avenue Northwest in order to handle Lend-Lease transactions between the Turkish Government and the Government of the United States. Mr. S. Eranil has been appointed Chief of this Office.

The principal functions of the Supply Office will be as follows:

1. For material to be procured through direct Lend-Lease:

A. To prepare and submit in accordance with direct Lend-Lease procedure to various procurement agencies of the United States Government, requisitions, requests, and all necessary information concerning supplies to be transferred from this country to Turkey.

B. To follow up the procurement and shipment of this material.

2. For materials to be procured by retransfer from the British: To cooperate with the British Supply Council for the procurement of these requirements.

3. For material to be purchased from the open market:

To apply for the allocation of preference ratings, export licenses, shipping space, and other permits whenever it is necessary.

In order to perform its functions rapidly and efficiently the Chief of the Supply Office is authorized to contact and correspond directly

⁷⁰ Dated January 22, p. 1090.

with the agencies of the United States Government dealing with the procurement and shipment of such materials. He is also authorized to sign all requisitions and requests concerning the material to be procured under Lend-Lease and also applications regarding the material to be purchased from the open market. Mr. Erani's specimen signature is transmitted hereto attached.

It is earnestly hoped that the establishment of this Office will help to expedite the solution of various problems connected with the procurement, and to facilitate and increase the supply, of equipment and materials of which Turkey is in critical need.

The Turkish Ambassador would be much obliged to the Honourable Secretary of State if he would kindly have the agencies concerned informed of the establishment and functions of the Supply Office and its Chief.

WASHINGTON, February 9, 1943.

867.24/611a : Telegram

*The Acting Secretary of State to the Ambassador in Turkey
(Steinhardt)*

WASHINGTON, March 5, 1943—midnight.

212. Your 333, February 22, paragraph 4 and Department's 168, February 24, 10 p. m.⁷¹ As you are aware, a comprehensive plan for the handling of lend-lease shipments to Turkey by American officials in America and in the Middle East was ready to be placed in effect 2 months ago. However, OLLA has been informed by the Combined Chiefs of Staff, as a result of agreements reached at Casablanca, that Turkey is regarded as within a British area of military responsibility and that consequently British officials will be responsible for preparing and submitting requests for American lend-lease supplies of a military character to be furnished Turkey and for the shipment of such supplies. Hence it will not be possible to put into effect the full arrangements previously contemplated. Further details regarding the handling of lend-lease for Turkey at present await a definition of military and non-military supplies. It is hoped a definition will be agreed upon shortly.

Officials of the United States War Department, prior to the Casablanca meeting, had made plans for presenting all Turkish requests for military supplies to the Munitions Assignments Board in Washington. This project has now been abandoned, since the British will

⁷¹ Neither printed; these had reference to a foreign affairs speech by the Turkish Prime Minister (Saraçoğlu) and a message from the Lend-Lease Administrator (Stettinius) to the Lend-Lease Representative in Turkey (Kaufman), respectively (740.0011 European War 1939/28106, 867.24/600).

henceforth prepare and present such Turkish requests and justifications here. American officials will continue to be available to the Turkish officials in Washington, however, for advice and assistance on military items and for direct action on non-military items.

The Turkish Embassy here is being kept informed. You should inform the Turkish Government of the changes in administration which have been agreed upon for the provision of American lend-lease aid to Turkey. The mechanisms of bidding, assignment and transportation are flexible to meet existing or changing circumstances. Since the Middle East is a military theater in which, as between the United States and the United Kingdom, the United Kingdom is primarily responsible, the procedure described in Department's 168 is to be followed.⁷² Similar procedure is employed as a matter of efficiency in military administration in handling military items for other countries receiving lend-lease aid from us, such as the governments in exile, the dominions, etc. Turkish non-military items, of course, will be handled directly by the lend-lease administration.

WELLES

867.24/621

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

has the agreement

[WASHINGTON,] March 8, 1943.

Participants: Mr. Mehmet Münir Ertegün, the Turkish Ambassador
Mr. Dean Acheson
Mr. Kermit Roosevelt⁷³

The Turkish Ambassador called this morning at my request. I handed him for his consideration a draft lend-lease agreement with Turkey, an *aide-mémoire*, and drafts of the exchange of notes which would take place on the signing of the agreement.⁷⁴ I explained to him that the agreement followed the regular formula which has developed for such agreements.

The Turkish Ambassador said that he was very glad to receive these documents. He had understood some time ago that a definite agreement would soon be proposed and had been puzzled because of the delay. He said further that the situation with respect to Turkish lend-lease had been vague and subject to many changes since 1941.

I stated my belief that the agreement, the *aide-mémoire* and the notes would clear up many of the ambiguities, but pointed out that of course they do not take up all the specific administrative procedures.

⁷² This described the more technical details of the procedure agreed upon.

⁷³ Kermit Roosevelt, Jr., staff member in the office of Assistant Secretary Acheson.

⁷⁴ Draft lend-lease agreement not printed; for draft exchange of notes and *aide-mémoire*, see pp. 1088 and 1096, respectively.

The Ambassador said further that he was especially glad to receive the agreement, since he regards the lend-lease agreements as a major step forward in the direction of establishing the framework for fruitful international collaboration after the war. He said that he would study the documents and would communicate with me as soon as he is ready for further discussions of that sort.

DEAN ACHESON

867.24/619a

The Department of State to the Turkish Embassy

AIDE-MÉMOIRE

As the Government of Turkey is aware, on February 23, 1942 this Government concluded a lend-lease agreement with the United Kingdom⁷⁵ pursuant to the provisions of the Lend-Lease Act of the United States of March 11, 1941, and has since concluded similar agreements with China, the Soviet Union, Belgium, Poland, the Netherlands, Greece, Czechoslovakia, Norway and Yugoslavia. Australia and New Zealand also have accepted the principles of the agreement with the United Kingdom. These agreements seek to state as accurately as is now possible the basis on which aid under the Act is furnished, and to assure the greatest possible degree of cooperation in the task of postwar economic reconstruction, through agreed action open to participation by all other like-minded nations.

It now seems to this Government that a generally similar agreement should be entered into between the United States and Turkey. Drafts of such an agreement and of a proposed accompanying exchange of notes are submitted herewith for the consideration of the Turkish Government.⁷⁶

In the examination of these documents the following points may be noted:

1. Articles I, III, IV, V, VI, and VII of the proposed agreement are identical with the corresponding articles in the other agreements referred to. The Preamble, and Article II, differ from those agreements in order to take account of the fact that Turkey is non-belligerent.

2. The master agreement is intended to apply to all lend-lease aid to Turkey, past, present, or future, and whether originally arranged directly, or by retransfer through the British Government. Upon

⁷⁵ Signed at Washington February 23, 1942; for text, see Department of State Executive Agreement Series 241, or 56 Stat. (pt. 2) 1433.

⁷⁶ None printed.

signature of the agreement the Lend-Lease Administration will transfer from British account to Turkish account upon its books, the record of past deliveries of lend-lease aid to Turkey through the British authorities, and will request the British authorities to change their books accordingly.

3. The accompanying exchange of notes is intended to state as accurately as now possible the financial obligation to be incurred by the Turkish Government in connection with lend-lease aid. It is hoped that the arrangement suggested provides sufficient flexibility to meet the contingencies that may arise.

4. With reference to the conversations contemplated by Article VII of the proposed agreement, looking forward to agreed action "directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods" and to the attainment of the other objectives stated in the Article, the Government of the United States would be prepared to enter into informal and exploratory discussions at the convenience of the Turkish Government.

A copy of the lend-lease agreement with the United Kingdom referred to in the first paragraph, and a copy of the Joint Declaration made on August 14, 1941,⁷⁷ referred to in Article VII of the draft agreement submitted herewith, are enclosed for convenient reference.

WASHINGTON, March 8, 1943.

867.24/622a : Telegram

The Acting Secretary of State to the Ambassador in the United Kingdom (Winant)

WASHINGTON, March 12, 1943—7 p. m.

1550. Ankara reports that according to the British Ambassador there, the Turks were promised at the Adana Conference⁷⁸ four or five cargo vessels, 10 locomotives and 250 13-ton freight cars. A press report, giving the numbers as six 10,000-ton ships, 15 locomotives and 490 railway cars was declared by the British Ambassador as "entirely unauthorized."

Please investigate and report. Since the Turks have been pressing this Government for cargo vessels, which we have found impossible

⁷⁷ Joint Declaration by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations*, 1941, vol. I, p. 367.

⁷⁸ For correspondence regarding the conference between British Prime Minister Churchill and President Ismet İnönü of Turkey at Adana, Turkey, January 30 and 31, 1943, see pp. 1058 ff.

to supply to date due in part at least to assistance being given Great Britain, the Department is naturally much interested in the report, as the Maritime Commission will doubtless be.

WELLES

867.24/623 : Telegram

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

LONDON, March 14, 1943—8 p. m.

[Received 10:10 p. m.]

1813. Department's 1550, March 12, 7 p. m. The Foreign Office says that at Adana the Prime Minister offered to consider the temporary transfer to the Turkish flag of a number of vessels. Today the British are telling the Turks that they will make available five ships of a total deadweight tonnage of 25,000 tons. The first two of those vessels will be handed over in Egyptian ports in March, two more in April, and one in May. The Turks must provide crews, and the ships will carry munitions and civilian supplies, or anything else the Turks wish.

The reason for this unusual offer on the part of the British is that the two principal Turkish ports of Istanbul and Izmir cannot be used by Allied vessels because of Axis domination of the Aegean Sea. (The Turkish merchant fleet is well known to be very poor and, moreover, needed for coastal traffic.) Consequently, all Allied shipping goes to Alexandretta, and there is considerable congestion that port. By making available to the Turks vessels which can fly the Turkish flag the problem of getting supplies to Turkey will be greatly alleviated.

Insofar as railway equipment is concerned, this question is being discussed in Ankara by a mixed Anglo-Turkish transportation commission. The statement of the British Ambassador to Turkey contained in your telegram under reference is substantially correct. The British are prepared to release a certain number of Mikado locomotives, which will be a re-transfer of Lend Lease material, and they are also prepared to release approximately 250 freight cars of British origin.

The Foreign Office believes that the real snag is coal. There is no sea transportation available for bringing coal from Zonguldak to the South of Turkey, and the British believe that already there are a number of locomotives in the south lying idle for lack of coal. If coal were available in this area, the British would be willing to hand over more locomotives to the Turks.

MATTHEWS

711.90/70

Memorandum by Mr. George V. Allen of the Division of Near Eastern Affairs

[WASHINGTON, March 16, 1943.]

TURKEY

Ever since the beginning of American lend-lease aid to Turkey more than a year ago, such aid has been accorded to Turkey in an indirect manner, through the British. The Turks have been required to present their needs for American equipment to the British, and the latter have passed on to us such Turkish requests as they thought proper. We have then given the supplies to the British, who have in turned delivered them to the Turks.

From time to time during the past year, Turkish officials have indicated their preference for dealing directly with us in lend-lease matters. The Turks have felt that they would know where they stood much better if they dealt directly with us, would know precisely to whom they were indebted, and would have more control over American material destined for them. An additional reason for the Turkish attitude was undoubtedly a feeling that they were being treated more or less as a British colony or protectorate.

As long ago as November 1941, the American Government expressed a willingness to deal directly with the Turks, but the British objected strenuously, on the grounds that Turkey was in a sphere of primary British military responsibility and that consequently all lend-lease supplies sent to the area should go through British hands. The American Government yielded to British wishes, and lend-lease to Turkey has continued to be accorded to Great Britain.

Last summer, however, the British agreed that some concession to Turkish wishes should be made, and arrangements for direct lend-lease of a modified form were drawn up. The arrangements were about to be placed into effect when the matter was taken up again forcefully by the British at the Casablanca meeting. As a result, we conceded once more to British insistence, and we have canceled the arrangements for dealing direct with the Turks as far as military supplies are concerned.

Certain phases of the matter, however, remain to be determined, notably the definition of military supplies. If the British insist on a broad definition and maintain that everything we furnish Turkey under lend-lease should go through British hands, the Turks will gain the impression that America has lost interest in them. While the Casablanca decision is not questioned, our view is that it relates purely to the prosecution of the war, and does not imply any agree-

ment that Turkey is to be considered as within a predominately British political or economic sphere nor a forerunner to a broader "handing over of Turkey to the British".

The foregoing is deemed particularly advisable in view of reports which have been received from our officers in Turkey that while America is drastically restricting commercial exports to Turkey, in order to conserve shipping space for war purposes, British commercial goods are arriving in Turkey in large amounts. Furthermore, following our recent refusal of Turkish pleas to be allowed to buy or charter one or two merchant vessels in the United States, because our shipyards were too busy on British orders, Great Britain immediately promised Turkey six large British cargo vessels. The British claim that the ships they will give the Turks are old and slow, but the impression is strengthened in Turkey that we are not interested in the country and have handed it over to British domination.

In the political sphere, perhaps the most difficult problem to be overcome in bringing Turkey wholeheartedly on the Allied side results from Turkish fears of Soviet Russia. Turkish enthusiasm for our cause is dampened by apprehension lest an Allied victory would mean Russian domination of the Balkans, spread of communism in the area, and perhaps a Soviet demand for control of the Dardanelles. The Turks believe that Great Britain has made commitments to Russia which will prevent Britain from exercising a restraining influence on Russia after the war. The Turks would be much encouraged if they were convinced that the United States retains a strong interest in Turkey's welfare. It is difficult to create such a conviction while we continue to agree to British demands in Turkey's regard.⁸⁰

811.20 Defense (M) Turkey/433 : Telegram

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

WASHINGTON, March 30, 1943—11 p. m.

290. Your 558, March 25, 5 p. m.⁸¹ The United States shipping authorities have now informed the Department that the agreement by Great Britain to deliver five cargo vessels to Turkey makes it impossible for the American Government to give further consideration to the granting of permission to Turkey to acquire cargo vessels

⁸⁰ See correspondence regarding the visit of British Foreign Secretary Anthony Eden in Washington, March 12-30, 1943, vol. III, pp. 1 ff.; see also correspondence concerning subsequent exchanges between the Department and the British Embassy relating to the interpretation of the Casablanca minutes regarding Turkey, *ante*, pp. 1064 ff.

⁸¹ Not printed.

in the United States at this time. Since United States and British shipping resources have been pooled, the grant of shipping facilities to Turkey by either the United States or Britain results is [*in*] a reduction in the tonnage available to the pool, and the authorities do not consider it possible to agree to an additional drain on the pool in Turkey's behalf, at least for the present.

It is thought possible that the Turks may already appreciate the foregoing considerations and have realized that it would not be possible for them to acquire vessels both from Great Britain and the United States.

If you consider it appropriate, you are authorized to explain the situation frankly to the Turkish authorities in the foregoing sense.

For your information the Board of Economic Warfare, prior to the British promise to the Turks, gave much study to the question of an adequate *quid pro quo* for one or two American vessels, and relinquished with regret an opportunity to obtain economic warfare concessions in Turkey. The Department delayed a final decision in an effort to obtain information regarding the conditions under which the British vessels were made available to the Turks. It seems clear, however, that no additional drain on the combined shipping resources will be approved by the American authorities at present.

Second and third paragraphs of your telegram under reference will be answered separately by USCC.⁸²

HULL

867.24/663 : Telegram

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

ANKARA, April 5, 1943—3 p. m.

[Received 11:41 p. m.]

646. In conversation with the Minister for Foreign Affairs this morning he informed me that he had received a telegraphic résumé from the Turkish Embassy in Washington of the proposed master Lend-Lease agreement and inquired whether he might borrow my copy pending the receipt by him of the draft submitted to the Turkish Embassy in Washington. He remarked that the provisions of the agreement which gave the Turkish Government some concern were those dealing with postwar economic arrangements particularly tariffs.

STEINHARDT

⁸² The United States Commercial Company, a subsidiary of the Board of Economic Warfare engaged in preemptive buying in Turkey.

867.24/688 : Telegram

*The Ambassador in the United Kingdom (Winant) to the Secretary of State*LONDON, May 7, 1943—5 p. m.
[Received May 7—12: 44 p. m.]

3181. Department's 2746, April 30, 10 p. m.⁸³ The question of supplies for Turkey naturally involves shipping problems and high military strategy. The British Government, on the highest level, has given this whole question serious consideration. Although the Minister of War Transport submitted to the War Cabinet a paper suggesting the deferment of an increase in the Turkish program for the time being, the War Cabinet decided to restore the program of tonnage allotted Turkey prior to the cut last October, namely 7,000 tons of civilian supplies from the U.S. and the U.K.

It is not contemplated, however, that this restored program will become operative until shipping routes to the general area are shortened.

Harriman⁸⁴ will furnish you additional information on this subject.

WINANT

867.24/667 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom (Winant)*⁸⁵

WASHINGTON, May 15, 1943—11 p. m.

3127. Your 3103, May 4, midnight.⁸⁶ Section 2, paragraph 2. Ambassador Steinhardt informed the Department on May 6⁸⁷ that the British Minister in Ankara expected to submit to the Turkish authorities within a few days a draft of a lend-lease agreement which would substantially follow the lines of the proposed American-Turkish lend-lease agreement.

Please inform the appropriate British authorities that the Department would be interested in learning the terms of the proposed

⁸³ This telegram to London was sent as a repeat of telegram No. 391, April 30, 10 p. m., to the Ambassador in Turkey, not printed. In this telegram the Department stated that it "inclines to belief that Adana supply promises superimposed on prior Lend-Lease and wheat expectations of Turks, when colliding with shipping shortage and limited intake capacity of accessible ports, may result by late summer in Turks' accusation that solemn obligations have been unfulfilled. . . . the Department is anxious to work out, in collaboration with the British, broad outlines of a realistic supply and shipping program for coming months . . ." (867.24/685a)

⁸⁴ W. Averell Harriman, special representative of President Roosevelt, with the personal rank of Minister, in the United Kingdom for Lend-Lease matters relating to the British Empire.

⁸⁵ Repeated to the Ambassador in Turkey as telegram No. 441.

⁸⁶ Not printed.

⁸⁷ By telegram No. 824, May 6, 9 p. m., not printed.

British-Turkish agreement. You may point out that the American Government obtained the views of the British authorities regarding the proposed American-Turkish lend-lease agreement prior to its submission to Turkey. Our interest in the proposed British-Turkish lend-lease agreement will of course be especially important if any lend-lease supplies of American origin are concerned.

HULL

867.24/705 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, May 24, 1943—11 p. m.

[Received 11:19 p. m.]

3574. The proposed extension of Lease-Lend facilities to the Turks by the British, the subject of the Department's 3127, of May 15, 11 p. m., was taken up with Sir Orme Sargent⁸⁸ of the Foreign Office who has now replied as follows:

"We decided a short time ago that it was desirable to grant such facilities because the original arrangements for financing supplies of arms which form part of our treaty of mutual assistance with the Turks were no longer adequate to cover the increased deliveries which we are to deliver to the Turks as a result of the Adana Conference. Our Ambassador in Angora was instructed to inform the Turkish Government of the bare outlines of this offer and at the same time to inquire from his United States colleague what reception had been given by the Turkish Government to the draft Turco-American Lend-Lease Agreement, because we are [*were?*] anxious when it came to submitting a formal draft agreement to keep in line with the arrangements the United States Government were making. We informed our Embassy at Washington of the position, but it is apparent that they have not passed on the information to the State Department. I have, therefore, arranged that they shall do so as soon as possible.

The actual draft agreement is not yet ready and if Sir Hughe Knatchbull-Hugessen⁸⁹ told Mr. Steinhardt that he expected to submit it to the Turkish authorities within a few days, I fear he was being a little optimistic. It goes, of course, without saying that directly the draft has been prepared, we will at once let you have a copy and ask our Embassy in Washington to communicate it to the State Department, since we fully realize the interest which the United States Government have in the matter, and also because we would value their views.

Let me add in conclusion that there is no question of this agreement covering any Lease-Lend supplies which originated in the United States. It is intended solely to cover supplies from the United King-

⁸⁸ British Deputy Under Secretary of State for Foreign Affairs.

⁸⁹ British Ambassador in Turkey.

dom and to supplement the financial arrangements for the supply of such arms to Turkey concluded at the time of the signature of the Anglo-Turkish Treaty of Mutual Assistance".⁹⁰

WINANT

867.24/749

The First Secretary of the British Embassy (Thorold) to the Assistant Secretary of State (Acheson)

W. T. 205 BE/73/43

WASHINGTON, May 31, 1943.

MY DEAR MR. ACHESON: As a result of the Adana Conference and in the light of new situation, the British Government has decided to extend Lend Lease facilities to Turkey to cover the supply of war-like stores.

War-like stores which will be supplied on Lend Lease are to be defined as "Arms, munitions, tanks, other military vehicles, aircraft, naval vessels, and other war-like stores". Raw materials, machinery or other equipment not of a direct military nature, will not be included as it has been found in other similar agreements that a strict adherence to definition is necessary if constant pressure to expand the list with consequent friction is to be avoided.

It will be necessary to make these arrangements formal by a short agreement between His Majesty's Government and the Turkish Government. I should explain in this connection that although the Turkish Government has been informed of our offer to grant Lend Lease facilities in general terms, no actual draft agreement has yet been submitted to them. This is now being prepared and before it is submitted to the Turkish authorities it will be communicated to you for your views. The general ideas held by the Foreign Office upon the lines which the new agreement will take are as follows:

(1) It is proposed to leave the position of the 1938 credit⁹¹ unaltered. It is in any case fully allocated and orders placed thereunder are being fulfilled. The credit will thus be automatically absorbed in due course.

(2) As the new Lend Lease arrangement will to a large extent supersede the 1939 armaments credit⁹² the following adjustments are proposed to cover this position:—

⁹⁰ Treaty of Mutual Assistance between the United Kingdom, France, and Turkey, with special agreement, signed at Ankara, October 19, 1939, and subsidiary agreement signed at Paris, January 8, 1940, League of Nations Treaty Series, vol. cc, p. 167.

⁹¹ Agreement between the United Kingdom and Turkey regarding an armaments credit for Turkey, signed at London, May 27, 1938; British Cmd. 6119, Treaty Series No. 49 (1939).

⁹² Special Agreement for a Credit, October 19, 1939; see footnote 90, above.

(a) The amount of approximately £18,000,000 out of a total of £25,000,000 credit has actually been spent. Orders totalling nearly £40,000,000 have, however, been placed in accordance with the offer made by the Foreign Office in its note of October 15th, 1941, to the Turkish Ambassador when the former expressed its willingness to grant a further credit when necessary. The Foreign Office propose that this undertaking should be automatically cancelled, but that goods which have been ordered in accordance with the terms of the credit and supply of which is only partially complete, should still be paid for out of the credit.

(b) All other supplies of war-like goods will, in future, be sent on lend-lease terms even if they may have been provisionally allocated under the credit.

(c) Goods, which according to the definition of non-military goods referred to above, are excluded from being delivered under lend-lease, will still be obtained under the terms of the credit. Certain orders of this type have already been placed.

(d) Owing to partial completion of some orders and normal delay in getting orders, it is inevitable that debits will continue to be made to this credit for some little time to come.

(e) There will nevertheless be an unspent balance or credit and it will be made clear to the Turkish Government that in the new circumstances the British Government will not expect to be held responsible to deliver goods to absorb this balance should such a balance exist at the end of hostilities.

It is the intention, as is the usual practice in lend-lease agreements, that a clause should be inserted in the agreement whereby the Turkish Government will undertake after the termination of hostilities to return such of the goods supplied as the British Government may request.

The question of the insertion of a specific clause in the text of the agreement dealing with reciprocal aid, is still under consideration. In view of the susceptibilities of Turkey as a neutral, it may be found preferable to cover this point in a separate note rather than by a clause in the agreement itself.

Yours sincerely,

GUY F. THOROLD

867.24/663 : Telegram

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

WASHINGTON, July 12, 1943—8 p. m.

600. Your telegram no. 646, April 5, 3 p. m. Please report any further reaction to our proposal you may have received from the Turks.

HULL

867.24/756 : Telegram

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

ANKARA, July 17, 1943—5 p. m.

[Received 7:29 p. m.]

1247. Department's 600, July 12, 8 p. m. Although Foreign Minister and other high officials of Foreign Office have had frequent opportunities during past 3 months to comment to me on proposed master Lend-Lease agreement none of them has brought up subject. This may well be due to fact they have been giving consideration at same time to British proposal for a Lend-Lease agreement. In absence of instructions from Department I have refrained from bringing up subject. I shall of course promptly report any reaction from Foreign Minister and assume that should Department desire me to inquire as to present status of matter it will so instruct me.⁹³

STEINHARDT

867.24/772 : Telegram

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

ANKARA, July 31, 1943—1 p. m.

[Received 8:55 p. m.]

1313. My 1247, July 17; Department's 626, July 22.⁹⁴ I have ascertained informally from the Ministry for Foreign Affairs that the proposed master Lend-Lease agreement was submitted by the Foreign Office to the Ministries of National Defense and Finance whose replies in the opinion of the Foreign Office were inadequate in that they had gone too much into detail, and had overlooked some of the broad features of policy or had been too general in their comments. As a result the Foreign Office returned the papers to these Ministries for further consideration and anticipates the receipt of their final comments in about 10 days after which the matter will be considered by the Minister for Foreign Affairs who will then take up the subject with the Council of Ministers.

STEINHARDT

867.24/799

The British Minister (Campbell) to the Assistant Secretary of State (Acheson)

WASHINGTON, 21 August, 1943.

MY DEAR MR. ACHESON: You may remember that on 31st May last you were informed that His Majesty's Government had decided to

⁹³ In telegram No. 626, July 22, 10 p. m., the Department indicated that an inquiry should be made on an informal basis.

⁹⁴ See footnote 93, *supra*.

extend Lease-Lend facilities to Turkey to cover the supply of warlike stores. I now enclose herewith text of the Lease-Lend Agreement⁹⁵ which His Majesty's Government proposes, after receipt of any observations which the United States Government may desire to make, to submit shortly to the Turkish Government.

I am instructed to explain that this Agreement has been drafted in a form consistent with the terms of the Anglo/American and Anglo/Soviet Lease-Lend Agreements. In view, however, of the Treaty of alliance which exists between Great Britain and Turkey and of the arrangements already in existence for the supply of armaments under credit terms, it has been necessary to depart from these Agreements in certain respects. His Majesty's Government, however, feel certain that the United States Government will appreciate that these previous Agreements constitute the basis of our very special relations with Turkey and that consequently it is desirable that the present agreement should be so framed as to constitute a continuation of them.

In drafting the Agreement, considerable difficulty was experienced regarding the date on which it should come into force. The Lease-Lend facilities it is proposed to give Turkey are meant to cover all supplies of armaments which are delivered in response to the lists given us by the Turkish Government as a result of the Adana Conference. The lists as presented, however, contain both past requests and fresh demands. They were received by His Majesty's Government very shortly after the Adana Conference, but no decision regarding them was given to the Turkish Government until the beginning of May. In the meantime, however, supplies of armaments, much of which figured in the Adana lists either as old or new demands, continued to go forward to Turkey. For administrative reasons the most suitable date for switching over from Credit to Lease-Lend facilities appears to be the 31st March 1943, and accordingly this is the date which appears in Article 6. In order, however, to cover certain supplies, principally aircraft, our agreement to supply which dates from the time of the Adana Conference, but which were delivered before the 31st March, the date on which the Agreement comes into force is 1st February, and this is the date which appears in Article 8.

I should be most grateful for an early expression of the views of the United States Government upon this draft Agreement, a copy of which has already been handed to the United States Embassy in London.

Yours sincerely,

R. I. CAMPBELL

⁹⁵ Not printed.

867.24/799

The Acting Secretary of State to the British Minister (Campbell)

WASHINGTON, August 31, 1943.

DEAR SIR RONALD: I wish to thank you for your letter of August 21, 1943, addressed to Mr. Acheson, inviting my Government's comments on the draft Lend-Lease Agreement which your Government proposes shortly to submit to the Turkish Government.⁹⁶

It is assumed that the draft agreement covers supplies of British origin and that it is not intended to relate to American supplies which have been or may be retransferred to Turkey by the British Government. As you know, my Government is currently negotiating an agreement with Turkey which will pertain both to the Lend-Lease supplies which are accorded Turkey direct by the United States and to those which are retransferred to Turkey by Great Britain.

With reference to the provisions of the proposed Anglo-Turkish agreement for reciprocal aid and other benefits to be accorded to Great Britain by Turkey, it is observed that Article 7 of the draft makes provision for reciprocal aid by Turkey, and that Article 4 provides for the return to Great Britain after the war of supplies accorded Turkey under the agreement. However, my Government notes the absence of any provision relating to the final determination of benefits, over and above the foregoing, to be provided by Turkey in return for the aid furnished, such as Article VII of the Anglo-American Agreement of February 23, 1942. I may add that my Government attaches importance to the inclusion of such a provision in its own agreement with the Government of Turkey and in all other lend-lease agreements which it has concluded or is negotiating.

Sincerely yours,

A. A. BERLE, JR.

867.24/807: Telegram

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

ANKARA, September 14, 1943—noon.

[Received 3: 15 p. m.]

1560. In conversation with the Minister for Foreign Affairs this morning⁹⁷ he informed me that the Turkish Government is prepared to sign the proposed master Lend-Lease agreement as submitted subject only to an exchange of notes, which he stated might remain unpublished, and which he proposes read substantially as follows:

⁹⁶ Not printed.

⁹⁷ There had been two inconclusive exchanges between the Ambassador and the Minister for Foreign Affairs during August.

“Referring to the agreement arrived at between us at time of the signature affixed in the name of the Government of the Republic to the arrangement between the Government of the Republic of Turkey and the United States of America, relative to the principles of the assistance furnished under the Act of March 11, 1941, I have the honor to confirm to Your Excellency the interpretation of the acceptance given by the Government of the Republic to the said agreement. It is agreed between our two Governments that no obligation or furnishing of aid present or future arising under the agreement arrived at shall be demanded from Turkey nor shall there be any presumption of acceptance by Turkey of the principle of any such obligation or furnishing of aid unless a formal and direct agreement shall have been reached between Turkey and the Government of the United States of America in respect of each individual case or group of concrete cases.”

Numan⁹⁸ stated that he had submitted the foregoing proposed draft of a note merely as an indication of the reservation which he desired to make and that the exact language of the note was of course open to discussion. In this connection he pointed out that the Turkish Government would be under the necessity of obtaining the ratification of the master Lend-Lease agreement by the Grand National Assembly. He doubted such ratification could be obtained unless he was in a position to explain confidentially to the party leaders that the Turkish Government had not committed itself to unknown obligations for an indeterminate period of time but that a reservation had been made under which any specific obligation or commitment of the Turkish Government would have to be the subject of separate agreement.

Numan added that the position of Turkey was entirely different from that of the belligerent powers which have signed master Lend-Lease agreements in that not being a belligerent the Turkish Government was not in a position to claim that use had been made of most of the Lend-Lease material received. He remarked that were Turkey a belligerent he would have no hesitancy in signing the proposed agreement without any reservation.

STEINHARDT

867.24/807 : Telegram

*The Acting Secretary of State to the Ambassador in Turkey
(Steinhardt)*

WASHINGTON, September 30, 1943—6 p. m.

792. Reference your 1560, September 14, 1943. We assume that the Foreign Minister's desire to accompany the master lend-lease agreement with an additional exchange of notes along the lines suggested in your telegram under reference arises from the uncertainty of the Turkish Government over the meaning of its obligation to

⁹⁸ Numan Menemencioglu, Turkish Minister for Foreign Affairs.

extend reciprocal aid. We propose that, rather than exchanging additional unpublished notes, the following clarifying paragraph be inserted as numbered paragraph 1 (the numbers of the other paragraphs to be changed accordingly) in the original exchange of notes:

"1. With respect to Articles I and II, it is agreed by our two Governments that each retains the right of final decision, in the light of its own potentialities and responsibilities, to determine what assistance shall be provided to the other Government."

If you have not already done so, you might mention to Numan that the words "and may authorize" which do not appear in our other lend-lease agreements were added at the end of Article II in recognition of Turkey's neutral status.

Please tell Numan that we shall be glad to consider whatever changes he may care to make in the wording of the suggested new paragraph which you hand to him.

BERLE

887.24/840

*The British Minister (Campbell) to the Acting Secretary of State
(Berle)*

2762/11/43

WASHINGTON, October 21, 1943.

DEAR MR. BERLE: I have now received a communication from London referring to your letter of August 31st, 1943, on the draft agreement⁹⁹ between the Government of the United Kingdom and the Republic of Turkey concerning the financing of military supplies and other military assistance between the two Governments.

2. His Majesty's Government confirm the assumption in the second paragraph of your letter that the agreement is not intended to cover American supplies which have been or may be retransferred to Turkey by His Majesty's Government.

3. With reference to the observation of your Government on the absence of any provision such as Article VII of the United States-United Kingdom Mutual Aid Agreement of February 23rd, 1942, my Government state that in all their arrangements for the transfer of supplies to our Allies without cash charge they have refrained from asking for benefits of an extraneous character. The British Government would therefore not wish to require of Turkey any obligation other than to use the munitions in the common interest if they are required, to return them if they are not destroyed in the present war and to provide reciprocal aid of the same kind to the United Kingdom.

4. Perhaps I should note that in my letter of August 21st to Mr. Acheson I inappropriately referred to a "Lease-Lend Agreement"

⁹⁹ Draft agreement not printed.

with Turkey. I should have referred to it as a Military Supplies Agreement.

5. The omission of an article analogous to Article VII in the United States-United Kingdom Mutual Aid Agreement does not detract from the importance which His Majesty's Government attach to that Article. As the United States Government are well aware the British Government are anxious to see a wide propagation among the United Nations of the principles embodied in Article VII of our Mutual Aid Agreement, but they do not wish to assert these principles in agreements relating to mutual assistance in prosecuting the war.

Very sincerely yours,

R. I. CAMPBELL

867.24/842: Telegram

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

ANKARA, December 31, 1943—8 p. m.

[Received January 1, 1944—10:34 a. m.]

2122. In conversation with the Minister for Foreign Affairs last night (Department's 792, September 30, Embassy's 1806, November 4, Department's 980, December 28 [29])¹ I urged him to expedite his reply to our most recent proposal in connection with the master Lend-Lease agreement and stressed the desirability of concluding the agreement as soon as possible. Numan said he had been delayed in making his reply to us by a desire to study the British proposals in connection with our agreement. He added that he expected to be in a position shortly after the first of the year to conclude an agreement with us and indicated that he did not anticipate any difficulties.

STEINHARDT

**POLICY OF THE UNITED STATES REGARDING THE PREEMPTIVE
BUYING OF TURKISH GOODS²**

811.20 Defense (M) Turkey/228: Telegram

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

LONDON, January 5, 1943.

[Received January 5—9:33 p. m.]

121. For the Department and Board of Economic Warfare. Reference Embassy's 7045 of December 12 and Department's 6619 of December 28.³

¹ Telegrams No. 1806 and No. 980 not printed; in telegram No. 980 (867.24/807) the Department had requested the Ambassador to ascertain the Turkish reaction to the proposal advanced in telegram No. 792.

² Continued from *Foreign Relations*, 1942, vol. iv, pp. 708-726.

³ Neither printed.

Meeting was held January 5 at Ministry of Economic Warfare on priorities for exports from Turkey attended by Ministry of Economic Warfare, Embassy, United Kingdom Commercial Company,⁴ Ministry of War Transport, and Ministry of Supply.

Embassy was shown telegram sent last month by British Embassy, Ankara, stating that the American priorities for Turkish exports were as follows: Copper 5,000 tons, nutgalls 50 tons, opium 100 tons, chrome 180,000 tons, hemp 85 tons, valonia and extracts 2,000 tons, balsams 40 tons, emery 2,500 tons. Telegram also stated American Ambassador in Ankara was telegraphing to the Department in the same sense.

It was the opinion of the meeting that the commodities purchased in Turkey and desired by the United States and United Kingdom for supply uses should be given transport priority. Recent developments would appear to make the lifting of purely preemptive purchases in Turkey less urgent but the Committee felt that preemptive purchases should be moved out of the Istanbul area into Asiatic Turkey if storage facilities permit, and that after the necessary quantities of supply commodities have been lifted from Turkey commodities purchased solely for preemptive reasons should then be moved.

The Ministry of Supply representatives indicated the following priorities for British supply commodities: Emery 7,000 tons a year at a rate of 600 tons a month; silk and silk waste 150 tons a year; nutgalls 50 tons a year; flax 600 tons a year at a rate of 50 tons a month; opium 25 tons for the year; hemp 350 tons per year at a rate of 30 tons a month; valex 600 tons for the year at a rate of 50 tons a month. In addition shipping priorities will be considered for purchases of tobacco, sponges and dried fruit. The quantities of these commodities have not yet been determined.

The meeting felt that it would be helpful for the Ministry of War Transport to receive from our Government a statement of the priorities for supply commodities we intend to lift from Turkey, the total amounts thereof for this year, and a program of the minimum monthly amounts desired. In preparing such a statement our Government may wish to indicate what amounts of supply commodities will be carried from Turkey to the United States in American ships and what amounts it is desired to have the Ministry of War Transport move from Turkey to Egypt. It would be desirable to have the statement include a schedule of shipping priorities for preemptive commodities in case it should become possible to move them.

The United Kingdom Commercial Company is requesting Ankara to prepare a statement showing the rate at which the Turkish com-

⁴The United Kingdom Commercial Corporation was an overseas purchasing agency of the Ministry of Economic Warfare.

modities being purchased for supply and preemptive reasons may be expected to come forward during this year. The Embassy suggests that the Department make arrangements to have this statement transmitted direct by our Embassy in Ankara.

When our Government's statement is received, it is intended to call another meeting to prepare a comprehensive shipping program dovetailing the American and British statements. Rail transport of commodities to Turkish ports, including movement of mohair and skins to Russians, will also be considered.

The Embassy would appreciate being advised when it may expect to receive the statement of our supply priorities and transport program.

MATTHEWS

811.20 Defense (M) Turkey/289 : Telegram

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

LONDON, January 27, 1943.

[Received January 27—7:30 p. m.]

698. For Department and Board of Economic Warfare. British have received telegram from UKCC⁵ Istanbul stating that an application will be made to Minister of Commerce for 2,000 tons valex and 10,000 tons valonia to be delivered between February and September 1943. UKCC warns that prices, which will have to be negotiated with the *berlik*,⁶ may be as much as 50 percent higher than prices paid for same commodities last year. It is understood that Germany is to receive at fixed export prices sterling T800,000 of valonia and sterling T400,000 of extract under Clodius Agreement.⁷ It is estimated that suppliers of valonia and valex will suffer a loss of approximately 25 percent on market prices now ruling. As compensation they will be allowed to sell to other countries at whatever prices can be obtained.

Preliminary view is here that this extortion cannot be countenanced. Recently British were informed by the Turks that higher prices would have to be paid for dried fruits because of increases in cost of produc-

⁵ United Kingdom Commercial Corporation.

⁶ Turkish for union or cooperative.

⁷ Commercial agreement between Germany and Turkey signed at Ankara, October 9, 1941. Dr. Carl Clodius was head of the German trade delegation that negotiated the agreement, which became the basis for all subsequent economic relations between the two countries. For summary of this agreement, see telegram No. 388, October 17, 1941, from the Ambassador in Turkey, *Foreign Relations*, 1941, vol. III, p. 964; a supplementary agreement was signed at Ankara June 12, 1942.

tion in spite of fact that a lower price had been fixed by contract. There is evidence that Germany has in Turkey several thousand tons of valonia and valex which had not been completely paid for, due to shortage of funds arising out of failure to deliver quantities promised in Clodius Agreement. Since there is no prospect that Germany can move in immediate future even those quantities promised under Clodius Agreement, it is felt here that we are not under immediate pressure to agree to purchase valonia and valex at excessively high prices. Ministry of Economic Warfare intends to discuss matter with Foreign Office with a view to making diplomatic representations to Turkish Government. Embassy would appreciate your views.

MATTHEWS

811.20 Defense (M) Turkey/228: Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, February 12, 1943.

965. Your 7045, December 12, 1942,⁸ and 121, January 5, 1943. The Department and BEW⁹ have approved the following list of priorities which has also been approved by WPB,¹⁰ WSA,¹¹ and British Embassy and BRM.¹² This priority list represents the combined views for movement of commodities within and from Turkey. It also combines preemptive and supply interests.

The schedule is intended for use of the British American Coordinating Committee at Ankara and will be sent by us to Ankara as soon as we receive notice from you of approval in London. It is hoped that this approval will reach us promptly in as much as the list has been approved by British authorities here.

The schedule is divided into four categories and each category lists commodities in the order of their importance. The figures representing tonnages are estimates of quantities that are desired on supply grounds.

It was not considered feasible to present a schedule on a monthly basis, as we are unable to forecast the quantities of goods and the facilities which will be available each month.

⁸ Not printed.

⁹ Board of Economic Warfare.

¹⁰ War Production Board.

¹¹ War Shipping Administration.

¹² British Raw Materials Mission.

Begin schedule.

PRIORITY SCHEDULE FOR SHIPMENT OF GOODS PURCHASED
IN TURKEY.

(Note To Receiving Operator: The following schedule is divided into four categories each consisting of three columns headed: 1. Destination, 2. Commodity, and 3. Tonnage.)

<i>Destination</i>	<i>Commodity</i>	<i>Tonnage</i>
FIRST CATEGORY		
U.S.	Copper (blister & scrap)	All (estimated 5,000 tons)
U.S. & U.K.	Emery	U.K. 7,000; U.S. 2,500
U.K.	Silk and silk waste	All (estimated 150 tons)
U.S. & U.K.	Nutgalls	U.K. 400; U.S. 500
U.K.	Opium	25
U.K.	Sponges	25
U.S.	Chromite	(see footnote A for tonnage)
SECOND CATEGORY		
U.K.	Flax	600
U.K.	Hemp	350
U.K.	Valex	600
U.S.	Antimony (high grade only)	250
U.K.	Dried fruits	(see footnote B for tonnage)
U.S.	Casings	200
THIRD CATEGORY		
U.K.	Hides and skins	Undetermined tonnage
U.K., U.S.S.R. & Middle East	Vegetable oils, oilseeds, oilcake and nuts	Undetermined tonnage
U.K. & U.S.S.R.	Wool and cotton waste, rags and clippings Mohair, balance of flax and hemp	Undetermined tonnage
FOURTH CATEGORY		
U.S.	Nutgalls	Remaining tonnage
U.K.	Valonia and Valex	Remaining tonnage
U.S.	Gum tragacanth and traganthon	100
U.S.	Gentian	20
U.S.	Tobacco	15,000

FOOTNOTE A: Chromite. Tonnage involved in purchase of chromite is out of proportion to that of any other commodity purchased in Turkey, and special consideration for this item is necessary.¹³ Its position in category I indicates its importance and it should be moved as promptly as possible. However, since the tonnage involved may amount to several hundred thousands tons, such movement should

¹³ For correspondence relating to this subject, see pp. 1150 ff.

not be to the exclusion of the other commodities covered by this schedule.

FOOTNOTE B: Dried fruits. The quantity involved may be as high as 20,000 tons. Special shipping arrangements will probably be made by the Ministry of Food and it should not be regarded that movement of this item should be to the complete exclusion of other supply items on the schedule.

End schedule.

Please inform Royce of USCC ¹⁴ of this telegram.

HULL

811.20 Defense (M) Turkey/289 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, February 12, 1943—midnight.

983. Your 698, January 27. Department and BEW are in complete agreement that discriminatory action with respect to British purchases of valonia and valex in Turkey should be made the subject of representations to the Turkish Government by the British Embassy in Ankara. Information as to the result of such representations would be appreciated when received.

With respect to the view expressed in the second paragraph of your telegram under reference to the effect that impairment of German purchasing power in Turkey arising from failure to deliver goods relieves the pressure on us to purchase commodities at excessive prices, both BEW and Department consider it safer to operate on assumption that German financial embarrassment may prove merely temporary, and in consequence we should vigorously utilize the present reduction in German activity in Turkish markets as an opportunity to strengthen our position. It is therefore the conclusion here that we should press our preemptive operations rather than relax them, and it would be appreciated if the Embassy would present this point of view to the Preemption Committee.

HULL

811.20 Defense (M) Turkey/334a : Telegram

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

WASHINGTON, February 12, 1943—midnight.

132. Amembassy London on January 27 reported impending discriminatory price increase on valonia and valex to be delivered to

¹⁴ United States Commercial Company, a regional overseas purchasing agency of the Board of Economic Warfare.

UKCC in Turkey, and MEW¹⁵ was reported to be planning discussion with Foreign Office with a view to lodgment of protest with the Turks. Same telegram expressed the view that current German shortage of funds arising from failure to deliver goods relieved pressure on British to purchase valonia and valex at excessively high prices. The Department and BEW have replied to London in the telegram quoted below:

[Here follows text of telegram No. 983, February 12, midnight, to the Ambassador in the United Kingdom, printed *supra*.]

It would be appreciated if you would explore with UKCC all possibilities of capitalizing on current German difficulties with a view to strengthening our position, not merely by increasing purchases, but interfering wherever possible with outstanding German contracts.

HULL

811.20 Defense (M) Turkey/338 : Telegram

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

ANKARA, February 18, 1943—2 p. m.

[Received 3:06 p. m.]

303. Your 132, February 12, 9 p. m. [*midnight*]. This Embassy is entirely in agreement with the view of the Department and Board of Economic Warfare that it would be unwise to relax our preemptive operations in Turkey because of possible impairment of German purchasing power. Relaxation of our purchases would in all probability result in price decreases which would obviously be of great assistance to enemy buyers whereas by continuing in the market and maintaining or even temporarily increasing prices we render the German shortage of funds more acute.

We cooperate closely with United Kingdom Commodity Corporation in all our purchasing operations but in this instance it is believed that their method of operation, with purchases based on prior authorization from the Turkish Government would make it difficult for them to capitalize on the current German difficulties. In our case it has always been a part of our various purchasing programs to interfere wherever possible with outstanding German contracts. We have frequently been successful in diverting from Axis countries merchandise already sold and awaiting shipment. For instance we recently obtained 250 tons of gallnuts sold to Germany on a compensation basis several months ago which were already packed for export awaiting arrival of the compensating imports. We have secured

¹⁵ Ministry of Economic Warfare.

several sizable lots of rags contracted for by Axis firms, and by our manipulation of oilseed prices made it impossible for Germany to secure much more than half of the 5,000 tons of seed contracted for with the Turkish Government.

STEINHARDT

811.20 Defense (M) Turkey/379 : Telegram

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

LONDON, March 4, 1943.

[Received March 4—7: 55 p. m.]

1570. For Department, Board of Economic Warfare, and United States Commercial Corporation.

1. Embassy attended meeting held on February 24 at which Ministry of Economic Warfare, Treasury, Foreign Office and United Kingdom Commercial Corporation were represented, on subject of Turkish joint preemptive program.

2. It appears that original Clodius Agreement expires on March 31 and that, under the provisions of article 9, it can be extended. Information indicates that Clodius is now on way to Ankara to open negotiations for new agreement.

3. However, the situation in Turkey is further complicated by the negotiation of the recent Turco-German Armaments Agreement. Embassy is forwarding the text of this agreement by air pouch.¹⁶ In substance agreement provides for supply of armaments to Turkey by Germany, payment to be made in Turkish bonds, and the purchasing power derived from these bonds to be used by Germany for the purchase of Turkish commodities chosen by mutual agreement from those enumerated in Clodius Agreement list 1. It is understood that the Turkish products which are to be delivered each year in exchange for German armaments are to be fixed by the commissions established by the Clodius Agreement not later than October 1 of the previous year. Thus it is clear that even if a new Clodius agreement were not negotiated, Germany can, by supplying armaments, claim certain (as yet unspecified) quantities of Turkish commodities.

4. It is likely that a new Clodius agreement and the armaments agreement will both be utilized by Germany, the former to provide Germany with specified amounts of Turkish commodities in exchange for consumption goods, or, if such consumption goods cannot be delivered by Germany, the delivery of armaments will be used to claim an

¹⁶ Copy transmitted to the Department by the Ambassador in Turkey in his despatch No. 360, May 20, 1943; received June 4. No copy found in Department files from the Embassy in the United Kingdom.

equal or greater amount of the desired Turkish commodities. However, it is possible that purchases under the new armaments agreement may not be made for several months.

5. Our joint preemptive program in Turkey may be criticized on the following ground: Except in the case of chrome, it is not clear that by preemptive action we have been able to deny to Germany the minimum quantities she needs of important Turkish commodities. The amounts of products specified in Clodius Agreement have been reserved for Germany and the fact that Germany has only been able to take up the full quantity of two such products indicates that even in the absence of preemptive action on our part, Germany could probably not have taken up additional quantities. The fact that Germany has not been able to meet all her obligations under the Clodius Agreement could not of course be foreseen when the joint preemptive program was laid down, and, as the Department and Board of Economic Warfare have pointed out, the failure of German purchasing power may be only temporary. However, our preemptive purchases undoubtedly lowered the quality of mohair obtained by Germany, and our copper purchases probably reduced the enemy's takings. Our purchases may also have had some effect in denying Turkish commodities to other Axis countries although Turkey has negotiated compensation agreements with Hungary and Rumania, as well as with Switzerland.

6. Ministry of Economic Warfare feels that transport difficulties and increasing shortages in Germany may make it difficult for Germany to deliver to the Turks this year sufficient quantities of consumption goods to purchase more than small amounts of Turkish commodities. As pointed out above, it would be rash, however, to assume that Germany cannot overcome the supply and transport difficulties at least to some extent, and she has the option to deliver armaments, which should be easier to provide than consumption and industrial goods.

7. In view of these facts the meeting felt that the Americans and British should approach the Turkish Government to the effect that Turkey's help is desired. We want this help against the Axis not for the wheat, armaments, et cetera, we are supplying Turkey but because it is to the advantage of Turkey that the Axis should be defeated. The Turks can greatly aid us in refusing to tie their hands by fixing specific quantities of commodities in a new Clodius agreement and by allowing us to purchase the whole Turkish output of such major German deficiencies as copper, mohair, opium and skins, and in addition as much of commodities of second rate importance, e.g., valonia and valex, as our purchasing power will permit. We should also ask the Turks to maintain the present prohibition on the

export of olive oil and wool for the duration of war and the export of woolen rags and woolen manufactures.

8. The meeting felt it should be clearly understood that this program is in no way a slackening of our preemption effort in Turkey but rather an attempt to use any political advantages we may have recently gained in an attempt to secure from the Turks much larger allocation of those commodities which are important to Germany. It will be seen that if we are successful the expenditure necessary will be larger than that represented by the current joint program.

9. The British are sending a parallel telegram to the British Embassy, Washington, repeated to Ankara, with a request that you be consulted after the comments of the British Ambassador, Ankara, who has been asked to consult his American colleague, have been received.

MATTHEWS

811.20 Defense (M) Turkey/420a: Telegram

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

WASHINGTON, March 18, 1943—2 p. m.

240. 1. The Department has been informed by the British Embassy here that you and your British colleague are in general agreement on the advisability of jointly approaching the Turkish Government in the immediate future and requesting that Turkey should place an export embargo vis-à-vis the Axis on certain strategic materials, in return for which the British and ourselves would agree to purchase the entire exportable surpluses of such materials. While sharing what is reported to be your and your British colleague's opinion that such a request is unlikely of fulfillment, the Department and Board of Economic Warfare agree not only that it is desirable to take such action as a logical consequence of the Adana conference,¹⁷ but also that it is tactically advisable in view of Clodius' impending arrival in Turkey. You are therefore authorized to join with your British colleague in an approach along these lines to the Turkish authorities.

2. It is presumed here that the details of your approach and the extent to which you go into detail in defining the commodities to which the embargo would be applied had best be discussed and decided by you and your British colleague on the spot. Both the Department and the Board of Economic Warfare believe, however, that any list communicated to the Turkish authorities should err on the side of comprehensiveness. The Department has been informed that the list originally suggested by London as the objective should include

¹⁷ For correspondence relating to the conference at Adana, Turkey, on January 30 and 31 between British Prime Minister Winston S. Churchill and President Ismet İnönü of Turkey, see pp. 1058 ff.

only copper, skins, mohair, opium, valonia and valex, but that the British Embassy in Ankara recommended the addition of silk, cotton and woolen rags, gallnuts, casings and gum. To this we believe cotton and all oilbearing seeds and nuts and vegetable oils, including olive oil, should be added.

3. We assume that chrome has been omitted from consideration because it is the object of separate negotiation.¹⁸

4. In the event that the approach described above fails of success, the Department and the Board of Economic Warfare believe that every effort then should be made to secure an undertaking from the Turks that they would not enter into any agreement as successor to the Clodius Agreement which would stipulate that specific quantities of strategic materials are to be reserved in future for Germany.

5. If in any respect you are doubtful as to the wisdom of this course of action, or if your British colleague fails to receive parallel instructions, it is requested that you telegraph the Department urgently.

Repeated to London.

HULL

811.20 Defense (M) Turkey/422 : Telegram

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

ANKARA, March 22, 1943—4 p. m.

[Received March 23—4 : 25 p. m.]

534. My 525, March 20,¹⁹ Department's 240, March 18. I called on Minister of Foreign Affairs²⁰ this morning and frankly expressed to him our desire that no further exports of strategic materials be made by Turkey to Axis, as well as the readiness to purchase such materials ourselves. I pointed out that we were carrying on economic warfare against Axis and expressed hope that Turkish Government in its desire for an Allied victory and to shorten the duration of the war would cooperate with us to the extent compatible with its vital interests. Numan said he quite understood our position and then outlined Turkish position as he had 2 days ago to British Minister²¹ (my 525 March 20). He remarked that he was embarrassed at present time as Germans desired to ship certain products which warehouses at Istanbul were unable to receive as they were already glutted and that in consequence his position at the outset of his negotiations with

¹⁸ See pp. 1150 ff.

¹⁹ Not printed.

²⁰ Numan Menemencioğlu.

²¹ John Cecil Sterndale Bennett.

Clodius would be awkward. He then said that notwithstanding this fact we might rely upon him to take advantage of every opportunity to impede deliveries of strategic materials to Axis—as he had in case of chrome. I urged upon him importance of not stipulating specific quantities of strategic materials in any new agreement with Germans on grounds that inability of Germans to make specified deliveries would tie up strategic materials which we needed and were prepared to purchase. Numan replied that although he anticipated extreme pressure from Clodius he intended to flatly refuse to permit any strategic materials to leave Turkey until German deliveries had first crossed Turkish frontier and that he had no intention of agreeing to reserve additional Turkish strategic materials for Axis as he recognized that Germans would in all probability be unable to make their deliveries.

He said he understood Clodius was arriving with a “grandiose scheme” which he intended to reject as “chimerical”. He remarked that while it would probably be necessary for him to enter into some kind of an agreement with Clodius in order to permit the Germans to save face and not sustain a “political defeat”, he intended to keep his hands as free as possible and that we might rely upon him to take into consideration all of the factors which Sterndale Bennett and I had urged upon him. I then suggested that one of the principal purposes of Clodius’ visit might be an attempt to retrieve German political prestige in Turkey with the object of making political capital by means of propaganda out of any agreement that might be arrived at and urged him to consider this possibility carefully. Numan said that this “probability” had occurred to him and that he would bear it in mind throughout the negotiations.

My talk with Numan has confirmed the impression expressed in the last paragraph of my 525, March 20 that in any agreement he will seek to confine the same to making the necessary adjustments resulting from the non-fulfillment of the existing agreement, that he will endeavor to avoid the stipulation of any additional quantities of strategic materials, but that should he find himself compelled to agree to additional quantities he will in practice frustrate deliveries to the best of his ability.

Now that we and the British have made our position clear to Numan it seems to me inadvisable to press him for a more specific declaration of his intentions particularly as I anticipate he will keep us informed of the progress of his negotiations with Clodius which should afford us an opportunity to express our views as the negotiations proceed.

I have now indicated the foregoing to the British Minister.

STEINHARDT

811.20 Defense (M) Turkey/426 : Telegram

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

ANKARA, March 22, 1943—6 p. m.

[Received March 23—5 : 33 p. m.]

536. My 534, March 22. The Soviet Ambassador²² informed me yesterday that he had called on the Minister for Foreign Affairs to express the hope of his Government that no further shipments of strategic materials would be made to the Axis. Vinogradov said Numan had replied that trade relations between Turkey and the Axis countries were governed by existing agreements and that while the Turkish Government had no desire to furnish the Axis with strategic materials it was under the obligation to meet its commitments and to obtain products with which to sustain its economic life. In response to Vinogradov's inquiry as to whether the Turkish Government was prepared to exchange copper for oil products, Numan stated that no copper was available for export.

STEINHARDT

662.6731/169 : Telegram

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

ANKARA, March 31, 1943—1 p. m.

[Received 8 : 53 p. m.]

606. In conversation yesterday with the Minister for Foreign Affairs he told me that this [*at his?*] first conference with Clodius the latter had proposed a new agreement along the lines of the previous one. Numan replied that he was not prepared to discuss a new agreement unless and until prices had first been agreed upon. He said that for the time being Clodius had accepted this point of view. Numan then remarked that he anticipated "great difficulty" in agreeing with Clodius on prices and had little doubt that the negotiations would "drag along" particularly as Mr. and Mrs. Clodius appeared to be enjoying their visit to Ankara.

STEINHARDT

811.20 Defense (M) Turkey/463 : Telegram

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

LONDON, April 3, 1943.

[Received April 3—9 : 55 p. m.]

2385. For Department, Board of Economic Warfare, and United States Commercial Corporation. Embassy's 1570, March 4.

²² Sergei Vinogradov.

1. Assume you will see telegram from British Embassy Ankara to Foreign Office dated March 20, repeated to Washington as No. 1858, giving substance of British Ambassador's discussions with Minister of Foreign Affairs.

2. The Ankara telegram was considered by Preemption Committee at meeting March 30 together with information indicating that it is possible to purchase unofficially all commodities whether controlled by a *birlik*²³ or not and that it is also possible by disruptive purchases to raise prices so as to handicap the Axis, though it may not be possible to obtain export licenses for goods so purchased.

3. The British feel that Turkish reaction to our approach was as favorable as could be expected and that, assuming the war continues to go in our favor, the Turks will find more and more excuses to interpose delays and obstructions in respect of German operations in Turkey. In the light of this, Committee felt that main conclusion to be drawn from Turkish reply to our diplomatic approach is that the success of any preemptive policy in Turkey must largely depend upon cooperation of Turkish Government. Therefore Committee, while considering it desirable to authorize the two Embassies in Turkey to embark upon unofficial purchases without restriction, felt that at the same time the Embassies should be satisfied that such a policy could be adopted and pursued without endangering the cooperation of the Turkish Government, who have far more effective power to hinder German purchases than we can command.

4. Considering the views advanced by the two Embassies in Turkey, Preemption Committee is prepared to recommend to you action on following lines:

(a) The whole amount of money authorized for purchases under joint program should be placed at the disposal of the two Ambassadors for official or unofficial purchases of the commodities listed below at their discretion and with no price limit for individual commodities.

(b) The discretion given to the Ambassadors should be limited to purchases where they are satisfied there is a reasonable chance of cutting into the amounts that would otherwise go to the enemy.

(c) The Ambassadors should be guided in their purchases, subject of course to supply considerations, by the relative importance of enemy deficiencies as set out in the following categories: (I) copper, opium, mohair, skins, wool waste and wool rags, valex. (II) Silk waste, silk cocoons, cotton waste, rags and clippings, linseed. (III) Hemp, flax, vegetable oils and seeds, valonia, lambs casings for catgut.

5. The commodities listed above are those to which the enemy resources department attaches the greatest importance. Embassy

²³ Turkish for union or cooperative.

assumes that our Government may wish to add certain commodities to the list, particularly gallnuts, casings other than lambs casings, gum tragacanth, traganthon, asbestos. Embassy would appreciate receiving the views of the Department and Board of Economic Warfare as to any commodities that should be included and the category in which they should be placed.

6. As you know the British in Ankara have emphasized strongly in recent telegrams the success which has attended our disruptive purchases. However no information has been received here indicating whether such operations have actually prevented the enemy getting the quantities he desires, or whether he was merely forced to pay higher prices. It is of course recognized that the latter effect has considerable value, especially when German purchasing power is limited, but the British are inclined to believe that the Germans will counter by overpricing the goods they supply to Turkey, thus restoring the position. The friction caused by disruptive operations, besides delaying the enemy, accentuates the already serious inflationary trend in Turkey. If you feel that successful preemption requires disruptive as well as unofficial purchases, it is important that you brief Embassy fully as to results of our experience in such operations to date.

7. You will note that British are suggesting that vegetable oils and seeds should be included in third category of enemy deficiencies for purchase under joint program. This proposal answers the question raised in your airgram 507 of March 9.²⁴

8. British feel that the change in the character and operation of the Turkish joint preemptive program is justified on the following grounds:

(a) It is difficult to have a fixed program which will meet the demands of a very fluid and complex picture such as is presented by preemptive operations in Turkey.

(b) It is very important for Ankara to be able to take immediate action without reference to Washington and London with the inevitable delays and consultations, a point which you have always stressed, and

(c) The importance of doing nothing which would lessen whatever desire may exist on the part of the Turkish Government to cooperate with us and to obstruct the enemy's operations. This can of course best be judged by the two Ambassadors on the ground.

MATTHEWS

²⁴ Not printed.

662.8731/170 : Telegram

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

ANKARA, April 12, 1943—11 p. m.

[Received April 13—11:44 a. m.]

694. Minister for Foreign Affairs told me last night that as it appeared improbable an agreement could be reached with Clodius on subject of prices and as Turk Government was unwilling to commit itself in any new agreement to set aside specified quantities of essential commodities for Germany he had come to conclusion that it might be preferable to endeavor to bring negotiations to an end by entering into a general agreement which would provide in substance for an extension of time under old Clodius Agreement and for exchange of additional merchandise to value of 50 or 60 million Turk pounds. Numan said that if he could avoid committing himself to set aside specified quantities of essential commodities under the new agreement as Germans had already demonstrated their inability to take what had been set aside under old agreement would be more or less meaningless as he would be at all times in a position to control delivery of Turk products to Germany. He said he intended to agree to no more than issuance of export licenses. He then remarked that in his last talk with Clodius the latter evidenced great dissatisfaction with his unwillingness to set aside additional specified quantities of essential commodities for Germany.

In response to my inquiry Numan informed me in strictest confidence that of the 18 million Turk pounds of war material to be delivered by Germany under schedule I of Clodius Agreement Germans had delivered as of March 31²⁵ a fraction less than 5 million Turk pounds and that of the total deliveries of 96 million Turk pounds provided for in agreement 44 million Turk pounds had been delivered by Germany up to same date.

STEINHARDT

662.6731/171 : Telegram

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

ANKARA, April 19, 1943.

[Received April 20—3:10 p. m.]

742. Following is translation of communiqué just released by semi-official Anatolian agency.

Agreements reached as result of economic negotiations which have taken place at Ankara during last few weeks between Germany and

²⁵ The scheduled date for the expiration of the German-Turkish commercial agreement of October 9, 1941.

Turkey were signed on 18th by Numan Menemencioglu and Burhan Zihni Sanus²⁶ for Turkey and by von Papen²⁷ and Clodius for Germany.

For purpose of assuring henceforth durable basis for economic and financial relations between two countries agreements concerning regulations of commercial exchanges and regulation of payments which have been concluded will remain in force with unlimited validity unless they are denounced by one of contracting parties within periods provided for by these agreements.

At same time value of goods to be exchanged up to May 31st, '44, within framework of these agreements was fixed and an exchange of goods in each direction to value of 60 million Turkish pounds was agreed upon. Germany will furnish Turkey as before industrial products of special interest to Turkey while Turkish exports to Germany will include raw materials to purchase of which Germany attaches particular importance.

Negotiations were carried on in spirit of friendship and mutual understanding which have always characterized relations between [the] two countries. Agreements signed which are based essentially upon Turko-German Agreements of October 9, 1941, offer guarantee that commercial exchanges will continue to develop to advantage of both countries in accord with close economic ties which have always existed between their economic systems.

STEINHARDT

103.917/1819: Telegram

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

ANKARA, May 7, 1943—6 p. m.

[Received May 8—10: 26 p. m.]

839. Department's 390, April 30.²⁸ I have learned that the Turk-German Commercial Agreement signed on April 18 provides for an exchange of goods totaling 62 million Turk pounds of which amount 40 millions (schedule I) cover Government purchases and 22 millions (schedule II) private trade exchanges.

The Turk commodities stipulated in schedule I are as follows (contingents are in Turk pounds): Mohair 2,625,000; cotton clippings 100,000; hemp 1,030,000; flax 300,000; silk waste 400,000; woolen and cotton rags 1,000,000; opium 800,000; oil seeds 7,000,000; valonia extract 275,000; gallnuts 272,000; cotton 6,250,000; copper 4,160,000; antimony 350,000; valonia 437,000; furs and skins 3,000,000; tobacco 4,000,000; hazelnuts 4,000,000; fish, fresh, smoked, salted or preserved, and fish products 4,000,000. The German products to be exchanged for the foregoing (schedule I A) are: War material 5,000,000; iron

²⁶ Dr. Sanus was Director General of the Department of Commercial and Financial Agreements of the Turkish Ministry for Foreign Affairs.

²⁷ Franz von Papen, German Ambassador in Turkey.

²⁸ Not printed.

and steel machines; means of transport and traction engines 27,500,000; copper manufactures 2,500,000; pharmaceutical products 1,500,000; paper and cellulose (the German Government will endeavor to furnish at least 2,500 tons of cellulose 2,750,000; beetroot seeds or other goods to be agreed upon 700,000.

The Turkish products to be exchanged under schedule II are: Tobacco 8,000,000; raisins 2,400,000; figs 2,000,000; hazelnuts 4,000,000; other dried fruits 500,000; casings 650,000; licorice root and extract 500,000; gum tragacanth 400,000; sponge 150,000; oil cake 400,000; fish, fresh, smoked, salted or preserved and fish products, 2,000,000; and miscellaneous goods 1,000,000. The German goods to be furnished in exchange for foregoing comprise those specified in schedule I A with the exception of war material, copper manufactures and beetroot seeds.

Foregoing information has been received in confidence from a reliable source and should be treated as strictly confidential and not disclosed, or published.

STEINHARDT

811.20 Defense (M) Turkey/463 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, May 11, 1943.

3008. USCCO 4008. Your 2385, April 3.

1. We are currently considering the details of the proposal contained in reference cable and in Embassy's 2453, April 8; 2932, April 28; 2380, April 3.²⁹ Before replying, however, we are awaiting clarification of recent cables from Ankara regarding allocations and Turkish attitude towards unofficial purchasing.

2. Department and Board of Economic Warfare are of opinion that only absolute embargoes on export of all strategic commodities from Turkey assure effective preemption. However, in view of fact that the Turkish Government seems now unwilling to go to such lengths, we agree that we must proceed for present with preemptive purchasing operations.

3. We agree in principle with statement in paragraph 3 of cable of reference that the success of our preemptive program depends considerably upon cooperation of Turkish Government. We are pleased that the Preemption Committee now suggests that it is desirable (a) to give broad latitude for action to our representatives in Turkey, and (b) to embark upon unofficial purchases whenever the Embassies agree that our objective cannot be accomplished of official purchases

²⁹ None printed.

alone and that such a policy can be pursued without endangering political relations with the Turks. We welcome the acceptance of these principles as steps in direction of flexibility and greater effectiveness of our preemptive program. Department and BEW have been guided by these principles for some months. Our Ambassador has had complete freedom to act under directives issued here, has a discretionary fund at his disposal, and is authorized to purchase unofficially. This authority does not apply to items on the British side of the joint program.

4. In connection with your paragraph 6, we realize that many of our operations have the corollary effect of aggravating the inflationary tendencies in the Turkish economy. We agree with the Preemption Committee that this result is to be deplored; except in the case of hazelnuts, it is the consequence of no deliberate intention on our part. In fact our preclusive operations are in commodities produced exclusively or partly for the export trade, and not in commodities consumed entirely in Turkey. Consequently we are generally not in competition with domestic consumers. Even so, of course, there is a recognizable hardship involved in the indirect raising of the price level. Whenever necessary and possible, we have tried to lessen the hardship by reselling our purchases to the Turks under conditions guaranteed to prevent their movement to the Axis. We have never issued directives without the advice and generally the approval of the Ambassador, and we have relied upon him to warn us of any deleterious effects which preclusive operations might have on the Turkish economy or of possible political repercussions.

5. With reference to paragraph 6, we wish to call attention to a misunderstanding regarding the nature of disruptive operations. The United States is engaged in three types of preemptive purchasing operations in Turkey:

(a) Planned efforts to seek out and deplete Turkish markets of the total exportable surplus of a given commodity.

(b) Spot purchases consisting of efforts to buy up particular stocks of a commodity (less than the total export surplus) in which the Axis seems for the moment to be interested.

(c) Disruptive, designed to raise the price of a commodity with the fewest possible purchases, in order to increase Axis exchange difficulties and thereby to interfere with or prevent Axis purchases.

6. With regard to disruptive purchases, the United States has engaged in this type of operation only in the case of hazelnuts and then at the recommendation of the American Ambassador. The operation was considered experimental. Reports indicate that the operation has stopped German purchases so far. The general effectiveness of such an operation, however, is still to be demonstrated.

HULL

811.20 Defense (M) Turkey/588: Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, May 25, 1943—11 p. m.

[Received May 25—10: 35 p. m.]

3595. For Department and Board of Economic Warfare.

1. On May 21 Ministry of Economic Warfare called an *ad hoc* meeting, attended by Embassy, Foreign Office, trelmury [*Treasury?*] and UKCC, to consider whole question of the joint preemptive program in Turkey, particularly telegrams numbers 224, 225, 226, and 227 arfar [garbled?] from Ankara to London, repeated to Washington, which you have doubtless seen.

2. It was unanimous conclusion of the British representatives present that: (a) Authorized purchases restricted to the limits of allocations given us by Turkish Government have not been and will not be in sufficient quantities to damage the enemy; (b) it is inadvisable to endanger our larger political and military objectives in Turkey (including chrome) by attempting to supplement authorized purchases by a program of unauthorized buying; (c) therefore all preemptive purchasing in Turkey should cease immediately with the following exception; the two corporations should continue to make joint authorized purchases only when it appears that a large enough proportion of the exportable surplus to have preemptive value can be obtained. Only item which British think falls into this category at present is opium and it is unlikely that others will emerge in future. This recommendation, which the British will make formally to our Government, is not intended to affect in any way their purchases of Turkish chrome, which, although a major preemptive purchase, has not been associated with the joint program in previous discussions with the Turkish authorities.

3. The British recommendation to stop preemption is based on the following evaluation of the Turkish situation—that it would be folly to provoke a quarrel with an Ally by acting in violation of Turkish law (and in contravention of British assurances) thus possibly forfeiting the benefits of the obstructive tactics, which, in the British view, the Turks have shown themselves willing to use against Germany.

4. In developing this view, the British representatives adduced the following arguments:

(a) It would be impossible to conceal from the Turks even for a very limited period of time unauthorized operations on the scale necessary to make preemption effective in the important commodities and remittances of foreign exchange for USCC account must pass through the Central Bank and will inevitably put Turks on the scent; news of

important commodity transactions cannot be kept from the market, and, as happened in the case of hazelnuts, the *birluks* themselves may complain to the Ministry of Commerce; further, the British feel that the Turks would not be long deceived by the USCC cloak for UKCC operations, since the two corporations occupy the same quarters and USCC purchases would still be carried out by UKCC agents and stored in UKCC warehouses;

(b) the British in Ankara, if unauthorized purchases are deemed to be of sufficient importance to justify showdown if necessary with Turkish Government, feel that there would be real advantage in gaining 3 months' time and depriving the enemy of Turkish commodities during this period, but the UKCC here states experience shows a greater time than 3 months elapses before delivery is actually taken of commodities purchased in Turkey. Thus we cannot hope to interrupt by this means deliveries to Germany during the period envisaged by Ankara;

(c) the agreement governing the Anglo-Turkish special account provides that the 40 percent premium is only applicable to the purchase of goods destined for export to the sterling area. Thus the Turks would be on firm ground in holding the unauthorized purchases either by UKCC (since circular 45 states unauthorized purchases will not be given export licenses) or by USCC (since such purchases are prima facie not destined for sterling area) violate the terms of the special account premium. If this premium were withdrawn it would result in a sizable reduction in British purchasing power. Further, an extensive unauthorized purchasing program by USCC without utilizing British financial facilities would greatly increase Turkish dollar holdings, thus raising once again the question of the Turkish attitude toward such balances;

(d) The representative of the Foreign Office stressed three factors:

(1) That in no circumstances should we jeopardize developing Turkish good will by persisting in a policy of unauthorized purchases, the preemptive advantages of which would be minute in comparison with the larger benefits we hope to gain from Turkish cooperation.

(2) That in any approach that might be made to the Turks economic threats or pressure could not be made the basis of requests for increased Turkish cooperation in securing economic warfare objectives.

(3) That the present time is not propitious to make any sort of approach to the Turks.

(e) The erd [garbled?] representative stated since chrome is of such paramount importance compared with all items in the preemptive programs, he could not endorse any buying policy the repercussions of which might result in the Germans getting more chrome.

The above is a summary of the British case for dropping full scale Turkish preemption. These views are being presented to our Government solely as British recommendations and not as an action of the Preemption Committee; as Embassy representatives reserved our Government's position.

In presenting the British views, we believe it appropriate to express our own opinion that any decision taken on the future of pre-emption in Turkey ultimately depends on an estimate of the situation to be made by the British and American Ambassadors on the spot. They alone can determine (a) the reality of Turkish opposition to unauthorized purchases and (b) the effect on our chrome and political objectives of any quarrel which might arise over such purchases.

If the Turks really intend to forbid unauthorized purchases, or retaliate seriously against us by requisitioning our stocks, forbidding all further operations by the two corporations, or facilitating chrome exports [to] the Axis, we feel it would be dangerous to continue unauthorized purchases, especially in view of the somewhat doubtful preemptive advantages to be gained therefrom. Further, we would advise against the use at this time of threats or pressure tactics to gain increased advantages over [the Axis?] from the Turks.

Our constructive view is that representations might be made to the Turks for increased allocations under a joint authorized program. As for the timing of such an approach, it should be noted that the Foreign Office seems to prefer to wait. In the absence of instructions we did not feel empowered to press the Foreign Office representative for an explanation of this policy. It appears that the desirability of an approach to the Turks and its timing must be decided at a high political level.

WINANT

811.20 Defense (M) Turkey/588 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, May 29, 1943—9 p. m.

3407. Embassy's 3595, May 25, 11 p. m. Embassy's telegram under reference reports united agreement by British ministries concerned that all preemptive purchasing in Turkey along lines conducted currently and in past be abandoned. The Department is unaware of existence of high strategic or political considerations which would render such abandonment necessary. As recently as May 7, our Ambassador to Turkey informed the Department of his intention to continue preemptive operations as in past including "unauthorized" or "unofficial" purchases. The Department, after consideration of possible political repercussions to be risked, approved his decision.

Unless there exist broad considerations of which the Department is unaware, the Department would find it difficult to justify to the Board of Economic Warfare the abandonment, as proposed by the

British, of a preemptive program which it has explicitly approved. The Department therefore would appreciate it if you would ascertain from the Foreign Office the background of the recommendation reported in the Embassy's telegram under reference and report urgently.

HULL

811.20 Defense (M) Turkey/607: Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, June 3, 1943—9 p. m.
[Received June 3—5: 31 p. m.]

3786. Department's telegram 3407, May 29, 9 p. m. We discussed with Sargent³⁰ yesterday afternoon the question of the possible discontinuance of preemptive purchasing in Turkey. He said that while he was not personally familiar with the question the decision reported in the Embassy's 3595 May 25, 11 p. m., had not been reached on a "Ministerial level" and did not represent any formal change of British policy. There were, he said, no broad considerations of a political or strategic nature behind the proposed abandonment of preemptive buying. He called in the Foreign Office representative who had attended the meeting reported and the latter's explanation of the reasons behind this decision was largely a repetition of the considerations advanced in the Embassy's 3595. The British apparently feel that preemptive purchases which do not exceed Turkish allocations will do no injury to Germany and may irritate the Turks to the point of producing highly unfavorable reactions on the much more important chrome situation.

Sargent said, however, that the views of Knatchbull-Hugessen³¹ had been requested and as soon as the Ambassador gives his opinion with regard to the cessation of preemptive purchases Sargent will let us know. We gather that the Foreign Office will be largely guided by his views and it is the Embassy's feeling that the situation is one which should be left to the discretion of our two Ambassadors at Ankara. Either preemptive buying by British or American agencies or both in excess of allocations will provoke the Turks to take counter measures which will adversely affect our chrome position and possibly other interests or it will not. Our two Ambassadors on the spot would seem to be in the best position to judge.

WINANT

³⁰ Sir Orme Sargent, British Deputy Under Secretary of State for Foreign Affairs.

³¹ Sir Hughe Knatchbull-Hugessen, British Ambassador in Turkey.

811.20 Defense (M) Turkey/624a : Telegram

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

WASHINGTON, June 4, 1943—9 p. m.

495. [Here follow texts of the following telegrams: No. 3595, May 25, 11 p. m., from the Ambassador in the United Kingdom, printed on page 1130; No. 3407, May 29, 9 p. m., to the Ambassador in the United Kingdom, page 1132; and No. 3786, June 3, 9 p. m., from the Ambassador in the United Kingdom, page 1133.]

Being dependent on you for counsel the Department and BEW are withholding all decisions pending receipt of your recommendations as regards the type and extent of the preclusive buying, if any, which should be carried out at this time taking into account chrome and all other factors. Please report reply British Ambassador makes to London.

HULL

811.20 Defense (M) Turkey/625 : Telegram

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

ANKARA, June 12, 1943—2 p. m.

[Received 10:40 p. m.]

1058. Department's 495, June 4. The following represent the joint views of the British Ambassador and myself as well as the views of the individuals connected with both Embassies who have been dealing with Anglo-American preemptive purchases in Turkey.

We are unanimous that an approach to Turk Government on the line suggested by London would be worse than useless. It would certainly have no more favorable response than before and granted present attitude of Turk Government might result in premature forcing of the issue of neutrality. Moreover it would create an impression of undue dependence on Turk Government and savor of asking favors—a course which we deprecate at present time from point of view of the attainment of the ultimate objective of our Turk policy.

We have therefore considered the alternative course suggested in last sentence of paragraph 6 of London's telegram 2305 to British Embassy in Ankara. The principal ground for the recommendation to abandon the joint preemptive program appears to be the effect which the continuation of unauthorized purchases might have on the Turks. Although in telegram 227 of May 18 from British Embassy to London attention was drawn to the risks involved, we think the fears expressed in London under this head are exaggerated. The

reasons are: (a) the Turks have certainly been aware of unauthorized purchases for several months; (b) the resulting funds and credit balances are welcome from point of view of war and postwar needs; (c) Germans are also making unauthorized purchases though on a small scale; (d) had the Turks taken serious exception to unauthorized purchases one would have expected their warning to be on a higher level than from Minister of Commerce to USCC; (e) the warning was possibly "for the record" only. That is to say to reserve Turk Government's position against the possibility of taking action later if and when it should be considered desirable. Risks certainly exist but because of Turkey's self-interest we doubt whether they are really serious. It is at least possible that Turk Government may prefer to shut its eyes to unauthorized purchases rather than be faced with official demands for higher allocations.

We note London's particular fears about chrome but do not share them and feel that it would be unjustifiable to stop unauthorized purchases on that ground alone unless and until there was concrete evidence that they are reacting on chrome.

In the light of the foregoing, the question arises whether we should not continue our present practices as suggested in paragraph 6 of telegram No. 227 from the British Embassy to London.

Before abandoning unauthorized purchases it seems necessary at all events to examine more closely the effects of their cessation on: (a) preemption; and (b) Turkish economy. Although no foreign trade figures have been published for 2 years we estimate that during the last 6 months the joint unauthorized purchases represent very roughly one-half of Anglo-American purchases and one-quarter of foreign sales of Turkish products.

As to (a) the importance of preemption in Turkey, the relative value to our and damage to Axis war effort can only be assessed in London and Washington and it would help us greatly to have an authoritative estimate. Recent telegrams suggest that with the exception of chrome the value is relatively small. In view of Turkey's commitments under agreements with the Axis and Axis-controlled countries it is not improbable that we are only buying what these countries either do not want or cannot obtain owing to limitations of transport and purchasing power. Cessation of unauthorized purchases by us would obviously give the Axis greater freedom of purchase. Whether they could take advantage of this and so increase exchanges with Turkey would depend mainly on their ability to increase transport facilities and their exports to Turkey. In any case they would concentrate on those Turkish products of which they are most in need and it is from this point of view that the appreciation referred to above would be most useful here.

As to (b), the effects on Turkish economy. They might be to some extent beneficial to Turkey in the sense that prices of less important Turkish products would fall. It is probable also that thanks to our supply purchases, Turkey would still have enough funds to buy obtainable requirements of those Anglo-American products which she has to pay for. On the other hand certain products may become a drug on the market and their producers suffer accordingly. It seems certain that the Axis could not take up all the slack and it is possible that the Turks would come to us for assistance in disposing of certain products. We should be then in a better position for obtaining larger official allocations of products which we ourselves want or of which we wish to deprive the Axis and Turkish Government would realize their dependence on us which they are increasingly inclined to forget.

We are having the question of the effect on Turkish economy examined in greater detail. But prima facie it seems that cessation of unauthorized purchases might be no trivial matter for Turkey and might be unwelcome to her. It may even be that in unauthorized purchases we have discovered a useful political weapon. When the investigations of our economic advisers are completed we may revert to this point.

STEINHARDT

811.20 Defense (M) Turkey/625 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, June 24, 1943—11 a. m.

3853. USCCO 4028. Embassy's 3595, May 25, 11 p. m., Embassy's A-448, June 9th.³² Also Amembassy Ankara's 1058, June 12 which is said to be identical in meaning with British Embassy Ankara's telegram No. 1139, June 12, to Foreign Office.

Having considered Ambassador Steinhardt's report of the joint views of the two Ambassadors regarding London's views as outlined in your 3595, the Department and BEW have reached the following conclusions

1. A balance of the weight of evidence supports continuing preclusive operations in Turkey including unauthorized purchases, pending the result of studies as suggested by the Ambassadors. Therefore it is our opinion that purchases, both authorized and unauthorized should continue.

2. BEW is engaged in examining the effect which our preclusive operations have had and which continued operations may be expected to have on the war economy of the enemy as requested by the

³² Latter not printed.

Ambassadors. The results of these examinations will be communicated to Ankara and repeated to you.

We also await the study being made in Ankara of the effects of cessation of preclusive operations on the Turkish economy and anticipate that the Embassies will inform promptly both London and Washington of the results of these studies.

3. It is suggested in view of the Ambassadors' report, MEW may now be in a position to consider the proposals in Department's No. 3411 of May 29 (USCCO 4020).³³

4. In the meantime, it is our understanding that we shall continue operations under the same arrangements as in the past and will share preemptive losses on all items in the existing joint program.

HULL

811.20 Defense (M) Turkey/671 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, July 9, 1943.

[Received July 9—1:55 p. m.]

4480. For Department, BEW, and USCC. Department's 3411, May 29, and 4123, July 7,³⁴ Embassy's 3595, May 25.

1. The British completed on July 6 their reexamination of preclusive buying policy in Turkey which began when it appeared to them that effective preemption could not be attained without unofficial purchases but that such purchases might involve hazards out of all proportion to preemptive gains.

2. The British have modified their views on preemption following fuller explanations from the two Ambassadors in Ankara, and from Washington, of the situation in Turkey, and are sending to Washington and Ankara a telegram giving in detail the background of the Preemption Committee's deliberations on policy. It will direct: (a) That no *démarche* to the Turkish Government for increased

³³ Not printed; in this telegram, dealing largely with operational questions, the Department had proposed the following list ". . . to express the relative strategic importance of each commodity" in the joint preemptive purchase program; and had asked for the opinion of the London Preemption Committee on the list:

"a) Copper, mohair, wool rags, skins, edible oils and nuts, wool, and valonia and valex.

"b) Silk and silk waste, cotton and cotton waste, rags and clippings, and antimony.

"c) Animal casings and hemp.

"d) Flax, gum tragacanth and traganthon, gallnuts, and asbestos."

In telegram No. 4123, July 7, the Department requested the Ambassador in the United Kingdom to expedite the reply of the London Committee. (811.20 Defense (M) Turkey/475, 625)

³⁴ Neither printed, but see footnote 33, above.

allocations will be made in view of the Ambassadors' negative recommendations on this point. (b) Preemption in Turkey will be continued and both official and unofficial purchases will be made. If British Ambassador in Ankara agrees, such unofficial purchases can be undertaken by the UKCC as well as by the USCC. The British Ambassador will be given full discretion in the matter in consultation with his US colleague. (See section 6 below) (c) In conformity with the general line of increasing the area of local discretion in Ankara, the Ambassadors will be authorized to request the appropriate corporation to purchase any of the commodities included in a list to be agreed by Washington and London. (London's proposed list is set forth in separate telegram.) Although the list divides the commodities into three categories according to their importance to the enemy, the British Ambassador would be authorized to purchase any commodity from any category without prior reference to London. This is an important modification of British policy on preemption as it has existed to date.

3. The British consider that their latest definition of policy is in fact a reversion to the line set forth in their telegram No. 1393 of April 17, 1943, to Washington and Ankara, with the important exception just noted above. The British wish to retain and emphasize a limitation on the authority of their Ambassador which was given in that telegram. This is a caveat to the effect that the Ambassadors should be expressly limited to purchases in which they are satisfied that there is a reasonable chance of purchasing such a proportion of the Turkish exportable surplus of any commodity as will substantially reduce the quantities of that commodity which the Ambassadors anticipate the enemy is trying to acquire. The Embassy understands that the British interpret this directive to mean that Ankara could purchase even a small quantity of an important commodity if the amount acquired would appreciably damage the enemy; e. g., in the case of copper it has been agreed that any amount acquired would have preemptive effect.

4. The British feel that a further important argument in favor of a flexible policy of local discretion and unofficial purchases is the distinct possibility that before the end of the year Axis purchasing power and ability to transport goods might be seriously curtailed by military developments. Therefore every effort should be made to concentrate on the short-term problem of preventing enemy from getting any advantage out of Turkey in near future.

5. The British direct that frequent and regular reports should be made by Ankara to the two Governments of all purchases and commitments so that the financial position can be kept constantly under review. In this connection they have been advised of the intention

of the Department, as expressed in its telegram No. 3411 in reference, to request the US Ambassador to furnish estimates of the amount of commodities which can be purchased and their cost so that these estimates can be compared with probable resources in Turkish pounds. The British have not undertaken to request their Ambassador for similar estimates. It is believed that such a comparison between resources and needs will be, in effect, made currently on the spot with overall supervision from London and Washington, and that an attempt to set up a program with target figures would in effect be a reversion to the early form of the joint program which proved to be impracticable.

6. During the discussions of policy which are summarized in this telegram, the British have considered the joint program to be in effect. However, a difficulty has arisen out of the fact that the Turks have been making allocations of commodities to the two corporations in amounts which do not coincide with the allocations under the joint program. Many allocations by the Turks are being split 50-50 between the two corporations. If dollar payment on amounts Turks officially allocate US is required, the British fear that this may result in the Turks acquiring excessive dollar resources and that UKCC may not then be able to utilize the considerable resources in Turkish pounds which will accrue to it if the Turks, as they have promised, pay their indebtedness to the corporation.

The British have always had strong objection to leaving an open-end liability on purchases since this gives the Turks a right to demand payment in the currency which suits them at a later date when this may not suit the United Nations. Further, it would inordinately complicate bookkeeping between the corporations. The British feel that they should be entitled to purchase through the special account those commodities which will be consumed in the sterling area, which offers the advantage of a 40 percent exchange premium. If the Turks pay their debt to the UKCC, the British will have adequate pound resources for the present at least.

The British consider that in no circumstances should the UKCC pay the Turks in dollars. If the Turks insist on USCC buying one-half of a commodity assigned in joint program to the British and which is destined for sterling area consumption, the British prefer to let the USCC buy the commodity for dollars and then resell to the UKCC for dollars outside Turkey.

The British have recently received a telegram from Ankara which is being repeated to you separately, which indicates that while the Turkish Ministry of Commerce has no objection to interchangeability of US and UK allocations, it requests that payments be made in

dollars or sterling respectively on the basis of the original commodity allocation even in cases where one country took up the entire quantity.

The Treasury and Foreign Office are considering the whole payments question and the Embassy will report further as soon as possible. In the meanwhile, as in the case of silk cocoons, the British will prefer, if allocation cannot be transferred for payment in sterling, that USCC should take up the US share of joint allocations where it appears that the Turks may demand dollar payment or that there may be an open-end dollar liability.

In the case of valonia referred to in the last paragraph of the Department's telegram No. 4123 just received, the British had not made a direct proposal that the USCC purchase the valonia but, as stated in Embassy's airgram of June 11,³⁵ they indicated that they had no objection to the corporation's doing so, pending advice from Ankara on which decision could be reached here. Since, however, question of dollar payment to the Turks has arisen, the British think that Washington should authorize USCC to purchase half the total quota should this be necessary.

7. In its consideration of further modification of preemption policy in Turkey, the Committee took account of the following possibilities: (a) The facilities which it is reported Turkey may be making to the enemy in allowing him to use gold for payments in Turkey and to utilize funds realized through sale of securities of occupied countries constitute an opportunity for the enemy to escape from the disabilities imposed on him by his lack of other forms of purchasing power and his difficulties in producing and transporting goods. The British are considering the advisability of some kind of *démarche* to the Turks which may include a warning that title to looted gold may not be clear after the war and a protest against such action in favor of the enemy of Turkey's ally. (b) If, as a recent British telegram from Ankara has stated, allocations to Germany under new Clodius agreement are fixed in terms of value while quantities are subject to modification as price alters, there may be a real opportunity for United Nations to disrupt enemy's takings by engaging in purchasing operations designed to raise prices. After close study of the text of the agreement, the Embassy, British Treasury and MEW are not at all sure the Ankara interpretation is correct and the British are requesting confirmation from Turkey. Our Government's views on dangers of disruptive purchases cited in Department's 3008, May 11, have been brought to the attention of British. However, problem may deserve reconsideration if Ankara's interpretation of agreement is correct.

WINANT

³⁵ Airgram No. A-464, not printed.

811.20 Defense (M) Turkey/677 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, July 10, 1943.

[Received July 10—12: 12 p. m.]

4512. Department's 3411, May 29³⁶ and Embassy's 4480 July 9. Department's proposed list of commodities for joint preemptive purchase in Turkey has been discussed with the British with a view to reconciling differences. Some agreement has been reached where divergence results primarily from difference in definition or terms of reference. The Embassy has not undertaken to commit our Government on any of the commodities or their priority rating but has acted in a merely consultative capacity. The lists were discussed in the light of Turkey's allocations to Germany under the Clodius Agreement the text of which is now available.

[Here follows British proposal for a compromise list of commodities and discussion of various items on the list.]

WINANT

811.20 Defense (M) Turkey/693b : Telegram

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

WASHINGTON, July 17, 1943—2 p. m.

615. 1. Recent reports that Turkish commodities are moving to Axis Europe in increasing quantities are disturbing the Department and BEW increasingly.

2. Known exports to Axis destinations during January and February, 1943 (the latest period for which a global figure is known) totaled 19,000 tons according to MEW reports. The enemy will receive a greater quantity of goods from Turkey in 1943 than 1942 should this rate be sustained.

3. To June 5 of this year 3,610 tons of copper have been shipped to Axis destinations according to Embassy's 1170, July 2.³⁷ For all of 1941 copper exports total 776 tons and for all of 1942, 3,117 tons.

4. Compared with 4,329 tons in all of 1942, your telegram shows exports of 3,917 tons of cotton to June 5.

5. Other commodities of strategic importance to Axis Europe show similar tendency.

6. If sustained, the rate of movement of chrome in April and May will yield Germany the entire quantity for which it qualifies.

³⁶ Not printed, but see footnote 33, p. 1137.

³⁷ Not printed.

7. It seems unlikely that the considerable improvement in Turkish rail facilities in recent months is alone responsible for Turkish exports moving to the enemy at an increased rate.

8. Finding these developments difficult to reconcile with assurance of the Minister for Foreign Affairs to the effect that the Turkish Government would place every possible obstacle in the way of transporting goods to the enemy, the Department and BEW would appreciate your views as to the reasons why Turkey is increasing its exports to the Axis.

HULL

811.20 Defense (M) Turkey/708: Telegram

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

ANKARA, July 27, 1943—2 p. m.

[Received 8:29 p. m.]

1281. Department's 615, July 17. In our opinion the increase in the export to Axis Europe of Turkish commodities referred to in the Department's telegram under reference has been occasioned by increased Axis deliveries to Turkey. These increased Axis deliveries in turn have resulted from the following: (a) Comparisons of Turkish trade with the Axis 1941, '42 and the first half of '43 are misleading unless account is taken of the military and physical conditions existing in the Balkans and affecting trade between Turkey and Germany over this period of 30 months. For example during the greater part of 1941 the Balkans were the scene of military operations by Germany with the object of establishing its control there. It was not until June 1942 that all means of transportation had been either brought under German control or had been reestablished; (b) recent deliveries on orders placed in Germany by Turkey under the German-Turkish commercial agreement of October 9, 1941, which orders have required from 12 to 18 months for execution; (c) improved transportation facilities. In this connection it should be borne in mind that the moment [*movement?*] of commodities between the Axis and Turkey was seriously handicapped prior to the reconstruction of the bridges over the Maritza River in June 1942; (d) the pressing need of the Axis for Turkish commodities as a result of the increased effectiveness of the United Nations blockade; (e) the pressing need of Turkey for Axis products in order to sustain its national economy.

The same reasoning which contends that the rate of movement of chrome in April and May if sustained would yield Germany the entire quantity for which it qualifies might also contend that the rate of

movement of chrome to Germany on April 19 (3175 tons that day) if sustained would yield Germany 1,158,875 tons over a 12 months' period. The fact remains, however, that although Germany has been entitled since March to over 20,000 tons of chrome, by July 1 Germany had received only approximately 13,000 tons.

Having regard to the dangerous international political and military position of Turkey during the past 6 months, it would appear that the Minister for Foreign Affairs of neutral Turkey has fully redeemed his promise to place every possible obstacle in the way of deliveries of chrome to the Axis. Webster defines "obstacle" as "anything that hinders progress". Had Numan not kept his promise, Germany would long since have received the entire quantity of chrome to which it was entitled in February.

All of us deeply regret that what has been accomplished during the past 6 months both in respect of impeding deliveries of chrome to Germany and of holding exports of other strategic materials to the Axis to a minimum in the face of the difficulties with which we have been confronted in a sovereign neutral country does not appear to have been understood or appreciated by OEW.

STEINHARDT

811.20 Defense (M) Turkey/710 : Telegram

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

ANKARA, July 29, 1943—noon.

[Received 2:04 p. m.]

1292. Embassy's 1058, June 12, last paragraph. A thorough study of the effect on Turk economy of the cessation of unauthorized Anglo-American purchase indicates that the cessation would produce for [*far*] less effect than had originally been anticipated by same. While very little reliable data are available for a study of this matter, it would seem certain that cessation of such purchases (1) would have little or no effect on the general economic situation in Turkey and (2) would not, in view of Turkey's present large holdings of gold and foreign exchange have important consequences insofar as Turkey's financial position is concerned.

Foregoing represents the consensus of the British and ourselves. I may add for Department's confidential information that the Embassy, USCC, UKCC and most of the British Embassy have never considered that cessation of unauthorized purchases would have any appreciable effect on Turk economy.

STEINHARDT

811.20 Defense (M) Turkey/671 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom
(Winant)*

WASHINGTON, July 30, 1943.

4573. USCCO 3005-A. Embassy's 4480, July 9.

1. Department and OEW are in general agreement with the principles and procedures as outlined in your cable of reference. We understand that London Preemption Committee are now prepared to proceed as follows:

(a) Both UKCC and USCC are authorized to engage in unofficial as well as official purchases.

(b) Each of the two governments will authorize funds and make them available to its Ambassador for the purchase of an agreed list of commodities under the joint purchasing program.

(c) The Ambassadors will be authorized to purchase upon agreement any amount of these commodities by any means they see fit so long as they are both convinced at the start, even though the initial purchase appears insufficient, that in the long run they can effectively preclude the Axis.

(d) Profits and losses on all such purchases will be shared equally.

2. Toward furtherance of complete understanding between Washington and London we wish to make specific comments on the following paragraphs in telegram of reference.

3. Your paragraph 2-a. We agree that no general request of the Turkish Government be made at this time for higher allocations on all commodities. However, we wish to point out that: (1) at some future date it may be advisable to make some such general demand; (2) this does not preclude asking for higher allocations of specific commodities such as copper, mohair and woolen rags as we have done in the past.

4. Your paragraphs 2-b and 6. We agree that open-end liabilities should be avoided and that full advantage should be taken of the special account. However, we do not consider it advisable to prevent the Ambassadors from making purchases that violate these principles if in their judgment effective preemption cannot be otherwise accomplished.

5. In our opinion, the effective execution of the revised Joint Program involves abandonment of the principles of predetermining in London and Washington primary purchasing responsibility. Purchases will be made by any agent and means deemed appropriate to the particular occasion by the Ambassadors' Anglo-American Preemptive Committee in Turkey. The Committee will consider the availability of exchange, the nature of the allocations made by the Turkish Government, and other relevant factors.

6. Your paragraph 2-*c*. We agree. It is our understanding that the division into three categories places no restrictions upon the discretion of the Ambassadors in purchasing all commodities in the List. The categories are intended to indicate to the Ambassadors the relative strategic value of the commodities and are not intended to dictate a chronological sequence for purchasing.

7. Your paragraph 3. We agree that purchases should be made only when the opportunity of effectively damaging the enemy exists. However, we believe that the British caveat to the effect that they wish to retain and emphasize a limitation on the authority of their Ambassador should not be allowed to slow down the preemptive program. In commodities with large export surpluses, for instance, initial purchases may not in themselves deprive the Axis unless they are part of a long-term purchasing program. Effectiveness must therefore be judged on a long-term basis and not on single purchases.

8. Your paragraph 4. We agree fully and believe that this principle emphasizes the necessity for vigorous action now.

9. Your paragraph 5. We agree, and are not consulting the Ambassador as proposed in Department's 3411.³⁸

10. Your paragraph 6. We have already commented in section 2-*b* above. We await with interest the reports of British Treasury and Foreign Office on the question of payments. We are cabling to you separately regarding silk cocoons and valonia.

11. Your paragraph 7-*a*. Department and OEW view with apprehension the apparent tendency of the Turks to accept German gold in payment for Turkish commodities. In this connection we are repeating to you telegram no. 1175, July 3³⁹ from the American Embassy, Ankara, which reports on recent gold shipments from Germany to Turkey. We, therefore, await with interest developments concerning a *démarche* to the Turks which is now under discussion in Washington and London.

12. Your paragraph 7-*b*. Department and OEW agree that the problem deserves reconsideration. We understand from British Embassy, Ankara's telegram 295, July 15 to MEW that the Clodius Agreement may fix quantities. If this is true it is doubtful that price-raising will be effective. Price manipulations appear to be successful in preventing the enemy from purchasing so long as prices are maintained above his reach. There is some doubt, however, as to the ultimate effectiveness of price raising as an independent preemptive operation. We are asking the views of the Ambassador on this subject and would appreciate any information the Preemption Committee can supply.

HULL

³⁸ See footnote 33, p. 1137.

³⁹ Not printed.

811.20 Defense (M) Turkey/775b : Telegram

*The Acting Secretary of State to the Ambassador in Turkey
(Steinhardt)*

WASHINGTON, August 21, 1943—10 p. m.

696. 1. The following is the "New Plan" under which London and Washington are agreed that preemption in Turkey should be conducted henceforth. Provided that purchases are confined to the lists of commodities having preemptive importance (see paragraph 10 below) the conduct of preemption is the joint responsibility of you and your British colleague.

2. In accordance with the terms of this telegram you and the British Ambassador will each be supplied with funds to be spent on preemption as agreed between yourselves. At the start your discretionary fund, plus any balances remaining in your current authorizations for commodities bought in the past and now appearing in paragraph 10, is available for your use under the New Plan.

3. On the understanding that both UKCC and USCC are authorized to buy both officially and unofficially, your British colleague and yourself will employ UKCC and USCC as you think best in determining the strategy of purchases.

4. Provided that you and your British colleague are both agreed at the start of an operation, even though initially individual purchases may appear inconsequential, that there is a reasonable chance of obtaining a sufficiently large part of Turkey's exportable surplus of any of the commodities in paragraph 10 with the view to reducing substantially the amounts of these commodities available to the enemy, you and your British colleague are authorized to purchase upon agreement any amount of these commodities by any means you see fit.

5. The assignment of purchasing responsibility commodity by commodity to either U.K. or U.S. under the previous joint program has now lapsed. In the future there will only be joint purchases on joint account although this does not mean that each commodity must be jointly purchased or jointly allocated, it being clear that either UKCC or USCC will have to effect separately individual transactions. New Plan envisages continued agreement equally to share preemptive losses (and profits if any) between the two Governments on all jointly agreed purchases. In order that USCC and UKCC reports may be a record of the progress made under the New Plan you and your British colleague should study the present accounting systems of the two corporations with the view to recommending any changes required. Supplementary joint reports every 2 weeks should be made by you and your British colleague to London and Washington covering the following points: (a) general policy aspects of New

Plan, (b) future prospects, (c) New Turkish commitments to the Axis, (d) reasons for making or not making particular purchases, (e) purchases effected and future commitments, (f) other comments and recommendations.

6. The two Ambassadors will have a free hand in the assignment of buying functions to USCC and UKCC; the effective execution of the New Plan involves abandonment of the principle of pre-determining primary purchasing responsibility in Washington and London.

7. Because the Turks may demand payment later in a currency which may not suit the United Nations, open end liabilities for payment of purchases should be avoided. The British fear that if the Turks demand dollars for official allocations to U.S. this may result in excessive Turkish dollar resources and affect the utility of the considerable sums in Turkish pounds owed to the UKCC by the Turks. Wherever possible full use should be made of the special account, but London and Washington are prepared to consider your agreed recommendations when you and your British colleague feel that effective preemption cannot be accomplished via the special account.

8. Subject to the provision of paragraph 4 above and the limits of the funds currently at your disposal no restrictions are placed on you and your British colleague in purchasing in agreement all commodities listed in paragraph 10 whose categories are not intended to indicate a chronological purchasing sequence but to indicate to you and your British colleague the relative strategic value of the commodities.

9. An effort is being made to work out with London a reduction in the number of items appearing on U.S. and U.K. supplemental lists. Possibly supplemental purchases will be entirely eliminated. Pending clarification regarding supplemental items existing contracts under current purchase authorizations should be honored but unless you are convinced that damage will be done to the enemy you should not enter into new engagements. Purchases made already in excess of existing authorizations will be regularized as soon as exchange of views between London and Washington referred to above is concluded. Pending agreement between London and Washington there may be delays in renewing purchase allocations for such commodities as casings, antimony, asbestos, etc.

10. From time to time changes and additions may be made to the following basic lists on which you and your British colleague will now operate. Note that each group is arranged alphabetically.

List A: copper, mohair, skins, valex, wool rags.

List B: cotton waste, rags and clippings; gallnuts; lamb casings for catgut; linseed; silk cocoons; and waste; valonia.

List C: flax, hemp, vegetable oils, and seeds.

11. It has been agreed, subject to your approval, that the New Plan will be operative as soon as this telegram is received and the British Ambassador receives from London a similar telegram. Agreed commencement date of the New Plan should be telegraphed. The instructions from London and Washington are intended to be identical in meaning and it will be appreciated if you will bring to our attention any discrepancies in this message from that received by the British Ambassador.

WELLES

811.20 Defense (M) Turkey/838a : Telegram

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

WASHINGTON, October 15, 1943—midnight.

835. Department and OEW suggest that you and your British colleague, in deciding whether the Axis can be harmed by preemptive action regarding New Plan products should take full account of every change which might dictate an alteration in our joint preemptive program. The British and American Governments have no desire to spend on preemption in Turkey a single unnecessary dollar or pound. It may be possible for you to direct greater attention to goods actually en route to the Axis and at the same time to adjust our policy on forward contracts so that immediate advantage can be taken of alterations in Turkey's attitude. If and when you and your British colleague consider that there is a reasonable chance that within a few months for one reason or another the rail route to the Axis will be closed, you may decide, because Turkish internal transportation and business methods are such that a considerable period elapses between the time of German buying and the time when the purchase actually leaves Turkish territory, to cease buying altogether.

The New Plan gives you and your British colleague full discretion in this matter, but you may find it helpful to know that it is the desire of both governments to cease preclusive operations at the earliest possible moment compatible with accomplishing their economic warfare objectives.

You and your British colleague have agreed that the cessation of unauthorized purchases would have little or no effect on Turkish economy. Sooner or later, however, all preemptive buying will cease and your agreed views by airgram or despatch will be appreciated regarding the economic problems which Turkey will face when it no longer has either an Axis or a preclusive market. It may be that some measures such as finding shipping space and markets for certain

Turkish products in the Middle East, liberated areas, etc., will have to be taken by the United Nations to support Turkish economy.

The Department understands that London is telegraphing the British Embassy along similar lines.

Sent to Ankara, repeated to London.

HULL

811.20 Defense (M) Turkey/849 : Telegram

The Chargé in Turkey (Kelley) to the Secretary of State

ANKARA, November 5, 1943—4 p. m.

[Received November 6—7:19 a. m.]

1810. Department's 835, October 15. The views of my British colleague and myself regarding the economic problems which Turkey will face when it no longer has either an Axis or a productive [*pre-clusive*] market are as follows:

1. We still hold the opinion that the cessation of "unauthorized" purchases alone would have but slight effect on Turkish economy. If, however, the cessation of all [*preemptive?*] purchasing (both authorized and unauthorized) occurred simultaneously with the loss to Turkey of her Axis markets and supplies we believe that the result would be the profound disorganization of Turkish economy. It would mean the loss of probably 75% of her foreign markets for which particularly in view of the high prices of Turkish products there would be no obvious alternatives.

2. The necessity of finding new markets for their export surpluses would confront the Turks with the serious problem of adjusting their production costs to world levels in order to render competitive their export prices which thanks to belligerent competition have reached their present inflated level. Even granted Turkish willingness to deflate or devalue the adjustment could only be made gradually and in the interim period their products would be commercially unsalable. For example, the possibility of their disposing in the Middle East of their exportable surplus of oil seeds would depend on their ability to bring down the average export price from 100 to 35 pounds sterling per ton. Which case is typical.

3. We agree that purchases by the United Nations, e.g., for the Middle East and for relief would probably be the only solution but since Turkish production costs could not be suddenly reduced to conform with the United Nations price level this solution would require the Allies to make up the difference between the price in Turkey and the sales price abroad. So far the Turkish Government has shown no signs of having any policy to cope with the situation. In the

course of recent negotiations for the sale to the British of dried fruits and mohair, etc., Turkish officials far from recognizing the danger of excessive inflation showed great eagerness to obtain even higher prices. We would point out that even in the unlikely event of Turkish willingness to bring about a reduction of prices their means and ability to do so are doubtful except by the abolition of export and certain other taxes.

4. It should also be remembered that only certain Turkish products, i.e., foodstuffs could be absorbed in the Middle East for relief. Markets for other commodities such as industrial raw materials and minerals could presumably be found only outside that area.

My British colleague has sent a similar telegram to London.

KELLEY

EFFORTS OF THE UNITED STATES AND BRITISH GOVERNMENTS TO ACQUIRE TURKISH CHROME AND TO PREVENT ITS SALE BY TURKEY TO GERMANY⁴⁰

811.20 Defense (M) Turkey/240 : Telegram

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

ANKARA, January 8, 1943—3 p. m.

[Received January 9—3:50 a. m.]

51. Department's 20, January 6.⁴¹ The following is the present status of the four practical considerations referred to by the Department.

(1) Certificates are now being prepared, specifying the amounts of chrome above ground at the various stock piles as of January 8.⁴² It is anticipated that most of the certificates will specify larger stocks than actually exist. Arrangements have been made with individuals on the spot to keep the stock piles under surveillance. In view of these arrangements it has been decided not to insist on permission to visit the Guleman Mine.

(2) Negotiations are being initiated with the Turkish Government for a transportation agreement providing for the movement of chrome and other commodities during the year 1943.

(3) This subject is not being overlooked.

(4) We are continually pressing the Turkish authorities along this line.

⁴⁰ Continued from *Foreign Relations*, 1942, vol. iv, pp. 742-788.

⁴¹ Not printed (811.20 Defense (M) Turkey 190); it requested reply as to status of matters dealt with in telegrams No. 1280, December 13, 1942, 6 p. m., and No. 685, December 23, 1942, 7 p. m., from the Ambassador in Turkey, *ibid.*, pp. 783 and 786, respectively.

⁴² The British-Turkish chrome contract of December 23, 1941, covered the period January 8, 1942, to January 8, 1943; for summary of the contract, see telegram No. 454, November 23, 1941, 6 p. m., from the Ambassador in Turkey, *ibid.*, 1941, vol. iii, p. 972.

With reference to the last paragraph of the Department's telegram should appreciate being informed whether the 5 million dollars fund referred to in the Department's 633 of December 4⁴³ is available on an unvouchered basis in connection with our endeavors to reduce to a minimum the amounts of chrome going to Germany after January 8.⁴⁴

STEINHARDT

811.20 Defense (M) Turkey/240 : Telegram

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

WASHINGTON, January 16, 1943—9 p. m.

57. Your 51, January 8, 3 p. m. With reference to numbered paragraph 1 of your telegram under reference, the Department understands from the British Embassy here that it has been proposed to make payment for unaccepted ore above ground on January 8 on the basis of 60 percent upon declaration, 20 percent upon delivery, and balance upon completion of assay. While the advantages of certification of inflated stocks are obvious, it would appear that if the inflation exceeded a given percentage, the incentive of the producer to deliver in order to obtain the balance payment of 40 percent would be removed. This of course would be accentuated if the certificates also overstated the quality of the ore. The Department assumes that this aspect of the plan has been carefully considered.

With further reference to the suggestion originally contained in paragraph 2 of the Department's 557 of Oct. 29,⁴⁵ the Department and BEW⁴⁶ suggest that such a proposal, if and when made, be coupled with the offer of a higher price than that to which the Germans have agreed.

HULL

811.20 Defense (M) Turkey/271 : Telegram

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

ANKARA, January 20, 1943—noon.

[Received January 21—6:25 p. m.]

127. Following is summary of movement of Turkish chrome ore in long tons during 1942.

1. Shipments of chrome ore from Turkish accessible ports to Egypt and United States of America amounted to 122,210 long tons. Largest

⁴³ Not printed.

⁴⁴ Telegram No. 36, January 12, 5 p. m., to the Ambassador in Turkey, observed that "progress report . . . is encouraging." (811.20 Defense (M) Turkey/240)

⁴⁵ *Foreign Relations*, 1942, vol. iv, p. 769.

⁴⁶ Board of Economic Warfare.

movements occurred in April and December with 19,257 and 19,478 tons respectively. Lowest month was November with no shipments. Monthly average was 10,184 tons.

2. Arrivals of chrome ore at accessible ports of Mersin and Iskenderun totalled 128,778 tons of which 70,934 tons arrived gosea [*by sea?*] from inaccessible ports. Mica, 54,041 tons by rail from Guleman Mines, 3,303 tons by rail from mines in western Turkey and 500 tons from local production at Iskenderun. Average monthly arrival was 10,732 tons. Monthly average for arrivals by sea was 5,911 tons and by rail from Guleman Mines 4,503 tons. Largest monthly arrivals by sea occurred in July and May with 17,771 and 12,049 tons respectively. Rail arrivals from Guleman Mines were maintained between 6,500 and 8,500 tons monthly from March through July; average for other 7 months was only 2,200 tons due to crop movements on railroads and adverse weather conditions.

3. Stocks of declared ore amounted on December 31, 1941 to 269 tons at accessible ports and 107,059 tons at all other ports and stations and on December 31, 1942 to 4,541 tons at accessible ports and 86,143 tons at all other ports and stations. The above figures do not include stocks at mine heads which were estimated at 80,000 tons on December 31, 1941. 255,000 tons have already been declared as being at mines on January 8, 1943 and an additional 100,000 tons are expected to be declared.

STEINHARDT

811.20 Defense (M) Turkey/313 : Telegram

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

ANKARA, February 5, 1943—4 p. m.

[Received February 6—5:24 a. m.]

233. My 226, February 4, paragraph 2.⁴⁷ The Foreign Office has directed that the cars carrying 450 tons of chrome ore from the Guleman Mines and destined for Germany which are still in Turkey be stopped in transit and returned to the mines. The 1500-ton Turkish ship rumored to load chrome at Fethiye for Germany has not yet arrived at Fethiye and there is no present indication as to when vessel will arrive.

STEINHARDT

⁴⁷ Not printed; the paragraph read: "One month has passed since expiration of our contract yet only movement of chrome intended for Germany that we know of is 450 tons from Guleman which has been thwarted by a protest to Foreign Office as coming from our stocks and a 1500-ton Turk ship rumored to load at Fethiye 'in the next 10 days'". (811.20 Defense (M) Turkey/307)

811.20 Defense (M) Turkey/318 : Telegram

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

WASHINGTON, February 17, 1943—1 p. m.

146. Your 259, February 9, 5 p. m., your 258, February 9, 9 p. m., and your 226, February 4, 2 p. m.⁴⁸

1. The contents of your telegrams under reference are most helpful in our understanding of the chrome situation. The Department is of the opinion that your attention to the practical considerations involved has been thorough and imaginative.

2. It is accepted here that, in as much as we consume the chrome and possess an equal interest with the British in the preclusive and financial aspects of securing it, the supervision of the operation of the present and any future British contracts should be carried out jointly by ourselves and the British. The Department is taking appropriate action to secure full recognition and implementation of this principle by the British. Obviously such joint operations for success must rest on an attitude of true partnership on the part of both parties.

3. The discussion of possible negotiation of a comprehensive transport agreement with the Turks referred to in Jackson's⁴⁹ letter to Merchant⁵⁰ of January 29 by pouch received on February 12⁵¹ holds substantial appeal. Your full views and suggestions on this would be appreciated, including reference to the possibility of relating such an agreement to shipping which, as previously discussed, it might be possible to make available to the Turks.

[Here follows paragraph 4 relative to continuing the assignment of Mr. Jackson to the Embassy in Turkey.]

5. The importance of this particular economic warfare operation, the magnitude of the sums paid in advance and the extent to which we are forced to rely on Turkish cooperation for success combine to make it essential that our facilities for surveillance and inspection at the dumps be as complete and carefully prepared as possible. Continued presentation of our interests in this respect, on a commercial and not a diplomatic basis, should be carried forward; obviously if chrome now above ground is diverted to Germany, after payment has been made thereon, the whole operation would be nullified. With respect to Guleman, the Department is of the opinion that, if necessary, it would be preferable to cede the Germans equal privileges of inspection rather than lack completely on our part the right to inspect and check

⁵¹ Not found in Department files.

⁴⁹ C. D. Jackson, sent to Ankara as assistant to the Ambassador in Turkey in connection with the chrome negotiations.

⁵⁰ Livingston T. Merchant, Assistant Chief of the Division of Defense Materials.

⁵¹ Not found in Department files.

what we have bought. It is in the organizing of this phase of the chrome problem, for example, that the Department and BEW find it so difficult to visualize adequately replacing Jackson.

HULL

811.20 Defense (M) Turkey/349a : Telegram

*The Secretary of State to the Ambassador in the United Kingdom (Winant)*⁵²

WASHINGTON, February 17, 1943—1 p. m.

1052. As the Embassy is aware, the formal phase of the negotiations regarding chrome with the Turkish authorities has been passed, and in the coming weeks the principal concern of the British and ourselves in Ankara will center on the day-to-day supervision of operations under the British contract and frequent technical discussions with institutions such as the Eti Bank⁵³ and the Ministry of Communications. It is the view of Ambassador Steinhardt, fully shared by the Department, that a representative of our Embassy in Ankara should be assigned exclusively to this task, and that he should work in close liaison with the British Embassy to the end not only that we should be fully informed of developments, but in a position to share the day-to-day responsibility in the matter.

As the Embassy is aware, the American Government has played a somewhat secondary part in the chrome negotiations to date. However, the day-to-day problem of keeping Turkish chrome out of German hands is one in which we are prepared and anxious to take a full and active part and one in which we feel we must in view of financial liability. The Department requests that you discuss the matter with the appropriate British authorities, pointing out this Government's preoccupation with chrome. Not only do we consume the Turkish chrome ourselves, but we have an equal interest with the British in its preclusive and financial aspects. One reflection of this interest was the dispatch of C. D. Jackson to Ankara last Fall for the sole purpose of participating, under our Ambassador's direction, in the chrome negotiations. You might further point out that it is our intention to assign an officer of the Embassy in Ankara who will concern himself exclusively with the operations under the contract, control of stocks and related transportation problems. It might then be possible to suggest that the British make a similar appointment at

⁵² Repeated to the Ambassador in Turkey in telegram No. 157, February 22, 10 p. m.

⁵³ One of six state-controlled banks in Turkey, the Eti Bank's special activities related to the development of mines and the marketing of minerals.

their Embassy in Ankara, so that the two together might function as a team, in daily contact with each other. The Department is of the opinion that in order effectively to accomplish our aim, it will be necessary for London to send to Ankara instructions in the above sense.

HULL

811.20 Defense (M) Turkey/340 : Telegram

*The Chargé in the United Kingdom (Matthews) to the Secretary of State*⁵⁴

LONDON, February 18, 1943—midnight.

[Received February 19—12:50 a. m.]

1275. I took up with the Foreign Office this morning the subject matter of the Department's telegram No. 1052, February 17, 1 p. m. and was given oral assurances by Sir Orme Sargent⁵⁵ that appropriate instructions would be sent to the British Ambassador at Ankara.⁵⁶ He welcomed the suggestion and remarked that one of the principal problems at present with regard to chrome above ground is the need of vigilance to avoid "pilfering" and to hasten transport from the mines to ports.

MATTHEWS

811.20 Defense (M) Turkey/349 : Telegram

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

ANKARA, February 19, 1943—2 p. m.

[Received February 20—4:30 a. m.]

311. Embassy's 226 February 4.⁵⁷ The Assistant General Manager of the Eti Bank in charge of chrome matters states that Turkish authorities have not yet issued export licenses to the Germans for more than 500 tons of chrome. So far as the Embassy is aware no chrome has as yet left Turkey for Germany.

He confirmed the information contained in the Embassy's 233 February 5 by apologetically explaining that the shipment in question had been started due to a misunderstanding of instructions at the mine.

STEINHARDT

⁵⁴ Repeated to the Ambassador in Turkey in telegram No. 157, February 22, 10 p. m.

⁵⁵ British Deputy Under Secretary of State for Foreign Affairs.

⁵⁶ Sir Hughe M. Knatchbull-Hugessen.

⁵⁷ See footnote 47, p. 1152.

811.20 Defense (M) Turkey/350 : Telegram

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

WASHINGTON, February 19, 1943—7 p. m.

152. 1. British Embassy here has informed Department that the form of a contract covering such Turkish chrome production for 1943 and 1944 as we can secure is under discussion by you and the British in Ankara. For the purposes of this new contract, the British report that you are suggesting a price of 300 shillings, whereas their suggestion is that the British Commercial Counselor should be given discretion to agree in the new contract to such price as the Turks propose to demand from the Germans in their contract for the 135,000 tons.

2. The Department and BEW recognize the necessity of at least meeting any price the Germans in future may offer. We feel reluctant, however, to propose at this time an increase over the price of 270 shillings, because of the possible effect such an increase might have on either (a) the incentive of the producers to proceed to make up from current production deficits under their declarations of stocks or (b) the temptation for producers to claim as new production our stocks. We are even more opposed to agreeing in advance to an unknown price based on a Turkish assertion of what they intend to propose to the Germans. It is our suggestion that the figure of 270 shillings be used in the new contract. Practically, we recognize the necessity of meeting the bid if the Germans in their future contract settle on a higher price and we would thereupon immediately consider unilaterally increasing the price. In your discretion the Turks might be given a strong intimation that it is not our intention to be outbid by the Germans. Please telegraph urgently your views and recommendations on the above.

3. We have told the British here that the negotiation of the contract in all its detail should clearly be the equal concern of both our Embassies, and that therefore we would prefer not to accord exclusive discretion in this matter to the British Embassy in Ankara.

HULL

811.20 Defense (M) Turkey/375 : Telegram

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

ANKARA, March 2, 1943—1 p. m.

[Received March 3—1:47 p. m.]

387. Department's 146, February 17, paragraphs 3 and 5; Department's 152, February 19, and my 354, February 26.⁵⁸

1. The preliminary draft of the comprehensive transportation

⁵⁸ Telegram No. 354 not printed.

agreement which has been initialed by Minister of Communications ⁵⁹ provides for allocation to Anglo-American transportation requirements of: (a) Two Turk vessels totalling 10,000 tons per month to pick up cereals in Egypt to be carried to Izmir and Istanbul, taking non-contraband as return cargoes to Haifa or Egypt. (b) 11,000 tons of Turk coastal shipping per month to carry chrome from inaccessible to accessible ports. (c) 5,000 tons of railroad cars per month for chrome from Guleman to Mersin. (d) 3,000 tons of railroad cars per month for general cargoes from Izmir and Istanbul for Basra via Baghdad. These cars will pick up cereals in Iraq on return trip. The number of cars on this run will be increased in proportion to the increase of return shipments available. (e) United States and Great Britain to provide tonnage to transship chrome from Turk steamers at accessible ports and are to keep the Guleman chrome dump at Mersin at a minimum.

The preliminary draft having been initialed by Minister of Communications, British Ambassador and I contemplate, if Department perceives no objection, seeking its confirmation by Minister of Foreign Affairs.⁶⁰ Hugessen and I are convinced that these allocations constitute the maximum tonnage to which Turks will commit themselves under existing conditions. There is grave doubt that even with the best of intentions Ministry of Communications will be able to provide regularly tonnage agreed upon. The 11,000 tons of coastal shipping promised monthly for movement of chrome should be compared with monthly average for 1942 of 5,911 tons. As against the 5,000 tons promised monthly from Guleman to Mersin railings in 1942 averaged 4,503 tons monthly. The uncertainties arise primarily out of fact that Turk transportation system both as to rail and sea is in a deplorable condition by reason of an acute shortage of rolling stock, unseaworthiness of many Turk vessels, lack of facilities for repairs, under maintenance, a low level of operating efficiency, shortage of replacement parts, fuel, materials, management and labor.

2. Even were we agreeable to "ceding to the Germans equal privileges of inspection at Guleman" Department will appreciate that Turk Government has decided views of its own with regard to permitting Germans to visit certain areas, particularly when such areas have been closed to all foreigners. Furthermore, as the declarations of stocks have been guaranteed by Turk Government and as Guleman Mine is owned by the Government our insistence on an inspection would openly evidence a mistrust of the Government's good faith (see Embassy's 258, February 9 paragraph 2).⁶¹ In addition we have been

⁵⁹ Ali Firad Cebesoy.

⁶⁰ Numan Menemencioglu.

⁶¹ Not printed.

requested by Foreign Office and Eti Bank not to press for an inspection at Guleman. We deem it advisable to respect this request.

However, a plan is now being worked out by the British and ourselves whereby a certain member of the British Military Attaché's Office may be able to visit Guleman unofficially late in March.

3. Sometime ago we discussed with the British Embassy the tactical advantages of increasing our price to 300 shillings per ton, but this was an exploratory discussion between the British and ourselves which of course was never communicated to the Turks and was prompted primarily by a desire to avoid a repetition of London's failure for months to agree to the price increase to 270 shillings per ton which at the time seriously threatened our entire program. We are entirely in accord with the Department's view that 270 shillings should be the price fixed in the new contract and look to the Department to obtain London's prompt acquiescence in any price increase that may subsequently become imperative to meet German competition.

STEINHARDT

811.20 Defense (M) Turkey/375 : Telegram

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

WASHINGTON, March 23, 1943—noon.

253. Your 387, March 2, 1 p. m. Terms of transportation agreement appear highly constructive.

In light of your paragraph 2, the Department and BEW concur in your decision not to press for inspection privileges at Guleman.

With respect to your paragraph 3, the Department will bear in mind advisability of direct communication with London in the later event that prompt action on price is indicated.

HULL

811.20 Defense (M) Turkey/614 : Telegram

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

ANKARA, June 5, 1943—10 p. m.

[Received June 6—10:10 p. m.]

1026. Department's 486, June 1.⁶² Although as reported in my 719, April 16, [17]⁶² the chrome purchase contract between Turkey and Great Britain for 1943 and '44 was signed on April 16 *ad referendum*, British Embassy was not in a position to communicate to Turkish Ministry for Foreign Affairs the approval of British Government until May 25. When communicating its approval it for-

⁶² Not printed.

warded a note along lines of that set forth in London's telegram to Ankara, 747, May 14. Complete text of the chrome purchase contract, together with that of the note of British Embassy referred to above, is being transmitted by air mail to Department.⁶³ Text of the important provisions was contained in my telegram 719, April 16 [17].

The new contract is, in my opinion, the most favorable which could be negotiated in the circumstances. Embassy was not surprised at Foreign Minister's refusal to agree to the provision contained in the draft submitted by us to the effect that the seller undertook that the declaration should comprise the total production of chrome with the exception of quantities which Eti Bank was obligated to deliver to a third country in exchange for goods actually delivered by the third country and that no ore would be withheld from the purchases to meet hypothetical deliveries of any third country. While we cooperated with British Embassy in its efforts, under instructions from London, to persuade the Minister, after the signature of the agreement, to include this provision, we were not optimistic enough to believe that the Minister could be induced to insert the provision in question, in view of the fact, that as the Embassy has heretofore pointed out, Turkish Government is not in a position to agree to include any provision in a written agreement which would conflict with its written obligations to Germany. In the conversation between British Ambassador and Minister for Foreign Affairs with regard to this matter, the latter urged the Ambassador not to press him to do something which he could not do but to leave it to him to see to it that the minimum amount of chrome possible is delivered to Germany.

In connection with foregoing, I desire to point out that although Germans have been entitled since March to over 20,000 tons of chrome by reason of their deliveries under Schedule I of Clodius Agreement⁶⁴ only 11,278 tons have been shipped from Turkey to Germany as of June 1 whereas during same period (January 8 to June 1) we shipped 27,412 tons from Iskenderun and Mersin. Furthermore the total tonnage moved by the Turks to accessible ports for Germany in the period from January 8 to June 1 has amounted to only 12,207 tons (including the aforesaid 11,278) whereas Turks have moved for us 39,492 tons (including the aforesaid 27,412) by rail and sea to ports accessible to us. This movement by Turks to our advantage has been taking place notwithstanding the fact that the Turkish note of December 11,

⁶³ Despatch No. 383, June 3, not printed.

⁶⁴ The Turkish-German commercial agreement, signed at Ankara, October 9, 1941. Dr. Carl Clodius was head of the German trade delegation that negotiated the agreement; for summary of agreement, see telegram No. 388, October 17, 1941, from the Ambassador in Turkey, *Foreign Relations*, 1941, vol. III, p. 964.

1942, to British Embassy⁶⁵ stipulated: "Reservation being made for the delivery of a maximum quantity of 45,000 tons to be effected in pursuance of previous obligations to other countries, the Turkish authorities will cooperate effectively in transporting ore to accessible ports in accordance with a cadence which will permit equally the execution of other agreements in force."

In noting above data Department will recall Embassy's previously expressed view that Turkish Government would in practice take measures calculated to reduce chrome deliveries to Germany to a minimum to which it would not commit itself to writing.

STEINHARDT

811.20 Defense (M) Turkey/675: Telegram

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

ANKARA, July 10, 1943—6 p. m.

[Received July 11—6:29 a. m.]

1219. Following is a summary of the movement of Turk chrome in long tons during the first 6 months of 1943.

1. The production between January 1 and June 30, 1943, is estimated at approximately 43,000 tons of which amount 32,000 were produced at the Guleman Mines.

2. Movement of chrome for British account. During the period under review 36,222 tons were delivered at accessible ports. Of this amount 28,201 tons were shipped to accessible ports from Fethiye and Gocek; 4,240 tons were shipped to accessible ports from Izmir; and 3,781 tons were moved by rail to Mersin from Guleman Mines and Sdzak.

During same period 33,705 tons were shipped from accessible ports to Egypt in transit for U.S.

On June 30 the stocks of provisionally and finally accepted chrome ore at ports and railway dumps amounted to 54,142 tons, of which amount 34,052 were at ports 20,090 at railway dump. In addition there were 314,520 tons of declared ore at the mines.

There were no deliveries to British of ore mined in 1943.

3. Movement of chrome for German account. During the period under review 14,101 tons were delivered at accessible ports for shipment to Germany comprising 8,236 tons at Istanbul by rail from Guleman, 5,320 tons at Istanbul by sea from Fethiye and 545 tons at Bandirma by rail. Of this quantity 13,415 tons 5,424 tons by rail and 7,991 by sea, were actually exported from Turkey to Axis territory.

⁶⁵ See telegram No. 1278, December 13, 1942, from the Ambassador in Turkey, *Foreign Relations*, 1942, vol. iv, p. 782.

Embassy is informed by Stotz, BEW, that the Near East and European Axis sections of BEW are much interested in receiving information on movements of chrome from Turkey.

STEINHARDT

811.20 Defense (M) Turkey/798 : Telegram

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

ANKARA, September 13, 1943—11 a. m.

[Received 9:40 p. m.]

1552. Minister for Foreign Affairs has informed me that the Germans are now entitled to approximately 36,000 tons of chrome by reason of their deliveries of 44,000,000 Turkish pounds of the 55,000,000 Turkish pounds of German goods stipulated in schedule I-A of the Clodius Agreement of October 9, 1941. Numan said that of the 36,000 tons, delivery of much of which is long overdue, only 15,000 tons have thus far been made available to the Germans and that of this amount 2,000 tons were sunk (see my 1499, September 2)⁶⁸ and that they have requested him three times in the past week to replace the quantity which was sunk.

Numan also informed me that the Germans, who have delivered 17,650,000 Turkish pounds of the war materials stipulated in schedule I-AL, recently requested the conclusion of the agreement for the supply of an additional 135,000 tons of chrome provided for in the Clodius Agreement, but that he had stated that this agreement could not be even discussed until Germany had delivered the entire 18,000,000 Turkish pounds of war material stipulated in schedule I.

Numan also told me that the Germans have delivered 38,000,000 marks of war material under the 100,000,000 mark armament credit agreement.

STEINHARDT

811.20 Defense (M) Turkey/833c : Telegram

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

WASHINGTON, October 13, 1943—7 p. m.

828. British Embassy here has informed Department that British Ambassador in Ankara has been instructed by the Foreign Office to discuss with Minister for Foreign Affairs matter of apparently impending Turkish agreement with the Germans for delivery of additional 135,000 tons of chrome contingently provided for under Clodius Agreement. Please consult with your British colleague and make such representations to the Turkish authorities, either independently

⁶⁸ Not printed.

or jointly as may be agreed by both of you to be most effective. Telegraphic summary of present position would also be appreciated by Department. Chrome remains prime preemptive objective in Turkey.

HULL

811.20 Defense (M) Turkey/835 : Telegram

The Chargé in Turkey (Kelley) to the Secretary of State

ANKARA, October 18, 1943—10 a. m.

[Received October 18—8:39 a. m.]

1714. Department's 828, October 13, 7 p. m.

(1) Agreement for delivery of additional 135,000 tons of chrome provided for in Clodius Agreement of October 9, 1941, is now under negotiation between Germans and Turks in consequence of fact Germans have delivered to Turkey entire 18 million Turk pounds of raw material stipulated in schedule I-A of that agreement (see my 1667, October 5)⁶⁷ it is expected very soon.

I have learned from a reliable source two of chief points under discussion have been price and rate of delivery. Turks have been seeking to obtain a higher price than present one and Germans have been demanding delivery of 10,000 tons of chrome a month, a rate which is far beyond Turkish capacity. It is to be noted Turk chrome production during first 9 months of 1943 amounted to only about 60,000 tons.

(2) British Ambassador has discussed twice with Foreign Minister impending agreement for delivery of 135,000 tons of chrome. He urged on Numan importance of reducing deliveries to Germany to a minimum. Numan stated he was doing all he could, he had already considerably delayed deliveries and he had examined every possibility of putting a brake on deliveries. He said he had even contended to German Ambassador he must preserve some kind of balance in deliveries between Germany and British because British were Turkey's Allies. In response to Hugessen's argument Turks should claim until fully 55,000,000 Turk pounds of supplies stipulated in schedule I-A were delivered no agreement with regard to delivery of 135,000 additional tons should be concluded. Numan said it impossible to take this position as conclusion of agreement depended on delivery of 18,000,000 Turk pounds of war material and not of 55,000,000 of supplies.

Discussion then turned to question of war material to be supplied in return for 135,000 tons of chrome. Hugessen says Numan was unwilling to agree additional war material should be specified and took position 20,000,000 marks of war material delivered under armament

⁶⁷ Not printed.

or edit [*credit*] constituted *quid pro quo* for 135,000 tons. In concluding conversation Numan reiterated his assurance he would make every effort to slow things up and keep deliveries to lowest possible limit.

(3) British Ambassador feels in matter of chrome we are now entirely dependent on Turk good will and he is convinced (in view of assistance now being given to British on Aegean operation) we can count upon Numan loyally implementing his assurance he will do everything possible to keep deliveries to a minimum.

Ambassador does not believe it is possible to persuade Turks to make supply of 135,000 tons dependent upon supply of additional war material although it would seem to have been intent of Clodius Agreement supply of 135,000 to Germany was contingent (1) upon delivery of entire 18,000,000 pounds of war material stipulated in Clodius Agreement and (2) upon supply of new war material to be agreed upon between two governments. It was agreed I should take this point up with Numan on Monday and if he were adamant in regard to requiring Germany to deliver in return for 13,000 [*135,000*] tons additional war material to be specified in agreement under discussion I should represent to him as strongly as possible great importance to us of his using every means available to reduce and delay chrome deliveries to Germany.

Strictly Confidential and only for Department's information: I have gathered from my discussions with British Ambassador that in his conversations with Numan relative to 100,000,000 marks armament credit Hugessen acquiesced in Turks tying up delivery of 135,000 tons to war material supplied under that credit. It was considered advantageous to tie up delivery of additional chrome to delivery of 100,000,000 marks of war material rather than to deliver you [*new?*] amount corresponding to value of chrome, namely, 20,000,000 marks. It was feeling at the time Germany would not be either able or willing to supply entire 100,000,000 marks of war material and consequently amount of chrome she would be entitled to would be less than if she had to supply only 20,000,000 marks of war material.

KELLEY

811.20 Defense (M) Turkey/837: Telegram

The Chargé in Turkey (Kelley) to the Secretary of State

ANKARA, October 18, 1943—11 a. m.

[Received October 19—6:55 a. m.]

1716. My 1714, October 18. In view of the fact that supplies of chrome from sources under Axis control are inadequate to meet Axis requirements, Germans are now entitled to a considerable amount of

Turk chrome and they are bound to obtain a certain amount from Turkey however far Turks may go on reducing and delaying deliveries and Germans are now striving to get out of Turkey as much Turk produce as possible before end of year.

British Ambassador and I strongly recommend question of interruption of railway communications between Turkey and Axis Europe be given urgent consideration and appropriate action be taken to disrupt Sofia Istanbul railway line outside of Turk territory. German need of chrome is shown by German delivery to Turkey in a short period of time of not only entire 18 million Turk pounds of war material stipulated in schedule I-A of Clodius Agreement but also 96 million marks of war material specified under 100 million marks armament credit agreement. Furthermore Germans have made every effort to hasten deliveries of Turk chrome and with this end in view they recently made available to Turks locomotives and freight cars when Turks pleaded shortage of rolling stock.

Hugessen and I believe that the interruption of rail communications would not produce an unfavorable reaction on the part of the Turkish Government provided the rupture of the railway does not occur too close to the Turkish frontier. In this connection it is to be noted that the Turks have already received practically the entire amount of war material provided for under the Clodius Agreement and the Armament Credit and there does not appear to be much likelihood of their receiving any more. Presumably the demolition of the railway would be presented as a regular military operation.

We believe that the rupture of rail communications would greatly reduce German receipts of Turkish chrome. While such action would not entirely interrupt shipments from Turkey to Axis Europe, it would make the delivery of Turkish goods to Germany extremely difficult particularly if, as is hoped, Russian submarines become increasingly active in the Black Sea. Of the approximately 23,000 tons of chrome shipped to Germany between January 8 and September 30, 13,000 tons (of which 3,000 were sunk) were shipped by sea and 10,000 by rail. Furthermore, the rupture of rail communication would deprive Germany not only of Turkish products on which the American British Governments are spending large amounts for preemptive purchases but also of Turkish products with regard to which it is very difficult or impossible to take preemptive action.

My British colleague is telegraphing London along the foregoing lines.

KELLEY

811.20 Defense (M) Turkey/838 : Telegram

The Chargé in Turkey (Kelley) to the Secretary of State

ANKARA, October 18, 1943—11 p. m.
[Received October 19—11 : 49 p. m.]

1720. My 1714, October 18. I had a lengthy conversation with the Minister for Foreign Affairs this morning relative to the agreement with the Germans for delivery of an additional 135,000 tons of chrome. He said that the agreement would probably be signed today. He had made it a point of keeping the agreement on a technical basis and it would be signed by the Eti Bank with the appropriate German authorities. He said that the Germans originally had demanded that provision be made for the delivery of chrome at the rate of 20,000 tons a month. He had refused to include in the agreement any stipulation as to the amount of chrome to be delivered monthly and he made it clear to the Germans that the maximum delivery possible under any circumstances was 7000 tons a month and that on account of transportation and mining difficulties the delivery of the 135,000 tons of chrome could not be completed in less than 20 months which mean that the deliveries would carry over at least to the middle of 1942 [1945?].

I inquired as to the war material which the Germans agree to deliver in return for the 135,000 tons of chrome and pointed out that the Clodius Agreement provided that the chrome was to be delivered to Germany in return for "new war material" to be agreed upon between the two Governments. Numan stated that it had been decided in agreement with the British Ambassador that the war material delivered under the Armament Credit should constitute the *quid pro quo* for the 135,000 tons of chrome.

This decision had been made in our interest because it made the delivery of the 135,000 tons of chrome dependent upon the delivery of 100,000,000 marks of war material instead of 20,000,000 marks the amount corresponding to the value of the chrome. As it was expected at the time that the Germans would be unable or unwilling to deliver entire 100,000,000 marks of war material it was believed this arrangement would result in reducing and delaying delivery of chrome to Germany. More important was fact that tying up of delivery of 135,000 tons with war material delivered under 100,000,000 marks Armament Credit relieved Turkey of necessity of delivering any products to Germany for 2 years in repayment of Armament Credit.

The service of armament credit amounted to 6,750,000 Turk pounds a year which were to be transferred by export to Germany, Turk products specified in schedule I of Clodius Agreement. 135,000 tons of chrome would be used to effect this service. Numan said he was

convinced if additional military equipment were stipulated as *quid pro quo* for 135,000 tons Germany would deliver material in question in a very short time. Having delivered almost 100,000,000 marks in a few months it would not be difficult for Germany to deliver 20,000,000 marks additional. In such event Turkey would be obliged to deliver to Germany during next 2 years in addition to 135,000 tons, 13,500,000 Turk pounds of Turk products such as copper, cotton, oil seeds, et cetera, which he was certain we did not want Germany to obtain. Under present arrangement Turkey was obligated to furnish Germany only 135,000 tons of chrome. He hoped I would make situation clear to Washington.

Numan went on to say that the American Government could rely upon him to delay and reduce the deliveries of chrome to Germany so that the monthly average would be as low as possible, notwithstanding the fact that Germany had delivered to Turkey 25 locomotives and 250 freight cars to be used in moving chrome. I said that my Government was interested in chrome from two points of view. First, we desired chrome for supply reasons. It looked now as if it would be impossible for us to obtain any newly mined chrome. I said that our stocks of high grade chrome in Turkey are getting very low and that the movement of our chrome was slowing up. Practically nothing was being moved for our account from Guleman. We desired to obtain newly mined chrome and we resented being excluded from Turkish production. We felt that we should obtain at least as much as Germany. He said that it was his intention to endeavor to arrange for our obtaining some of the current production, and in respect of Guleman he would see what could be done towards increasing the movement of our chrome. I said that in addition to obtaining chrome for our own needs we were vitally interested in preventing Germany from obtaining chrome. We would like to have chrome deliveries to Germany reduced to a nominal amount. During the first 9 months of this year Germany had obtained about 23,000 tons of chrome and it now appeared that Germany would get much more than twice that amount during the next 9 months. This probability could not but cause grave concern in Washington. He said we could rely upon him to see that this did not happen. He would utilize every means possible to reduce and slow up deliveries. He thought that he might be able to keep the deliveries during the next 9 months down to the level of the past 9 months. It was his intention to reduce deliveries, specially during the next few months, because after that "perhaps communications between Turkey and Germany might be interrupted".

KELLEY

811.20 Defense (M) Turkey/842: Telegram

The Chargé in Turkey (Kelley) to the Secretary of State

ANKARA, October 27, 1943—noon.

[Received October 28—12: 25 p. m.]

1766. My 1720, October 18. Under instructions from London, British Ambassador took up with Foreign Minister yesterday question of delivery of the additional 135,000 tons of chrome to Germany with a view to persuading Numan that Germans should not be accorded priority in matter of delivery of the 135,000 tons as has been case in respect to the 45,000 tons. Numan stated he had assumed we would take that position and he would do everything possible to reduce deliveries to Germany.

KELLEY

811.20 Defense (M) Turkey/837: Telegram

*The Acting Secretary of State to the Ambassador in Turkey
(Steinhardt)*

WASHINGTON, October 28, 1943—11 p. m.

856. Careful consideration had already been given in appropriate quarters to the action proposed in your 1716, October 18, 11 a. m. and decision had been reached that under known conditions it could produce no more than a brief interruption of traffic. Upon receipt of your telegram, however, the proposal has been presented for further study and is now under reconsideration.

STETTINIUS

811.20 Defense (M) Turkey/863: Telegram

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

ANKARA, November 22, 1943—5 p. m.

[Received November 23—7: 38 a. m.]

1916. As a side light on the assistance being rendered by the Turk authorities in frustrating the movement of chrome to the Axis, I have been informed today that, although the Germans have sent to Turkey 117 locomotives and 1250 freight cars to be used for the movement of chrome destined for Germany from the mines to the Turkish railway terminals, that most of these locomotives and freight cars have "disappeared into military zones where foreigners are forbidden," resulting in an acute shortage of rolling stock for the movement of chrome to the Axis.

STEINHARDT

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