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2166. Jurisdiction Over Criminal Offenses Committed by Armed Forces: Agreement Between the United States of America and India—Effectuated by exchange of notes signed at New Delhi September 29 and October 10, 1942; effective October 26, 1942. Executive Agreement Series 392. 10 pp. 5¢.
2170. The Department of State Bulletin, vol. XI, no. 271. September 3, 1944. 20 pp. 10¢.
2174. Diplomatic List, September 1944. ii, 124 pp. Subscription, \$1.50 a year; single copy, 15¢.
2175. The Proclaimed List of Certain Blocked Nationals: Revision VIII, September 13, 1944, Promulgated Pursuant to Proclamation 2497 of the President of July 17, 1941. ii, 382 pp. Free.
2176. The Department of State Bulletin, vol. XI, no. 272. September 10, 1944. 36 pp. 10¢.
2178. The Proclaimed List of Certain Blocked Nationals: Cumulative Supplement No. 1, September 22, 1944, to Revision VIII of September 13, 1944. ii, 19 pp. Free.
2179. The Department of State Bulletin, vol. XI, no. 273. September 17, 1944. 24 pp. 10¢.

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#### OTHER GOVERNMENT AGENCIES

The article listed below will be found in the September 23 issue of the Department of Commerce publication entitled *Foreign Commerce Weekly*, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Chile Moves To Develop Local Edible Oil Supply", based on report from the American Embassy, Santiago, Chile.

### TREATY INFORMATION

#### Military-Mission Agreement With Iran

There has been effected by an exchange of notes signed in Washington on August 4 and September 6, 1944, between the Minister of Iran in Washington and the Secretary of State, an extension, for a period of one year, of an agreement signed at Tehran on November 27, 1943 between the Governments of the United States of America and Iran which provides for the assignment of a United States military mission to Iran.<sup>1</sup> The extension is effective as of October 2, 1944.

<sup>1</sup> Executive Agreement Series 361. See also BULLETIN of July 23, 1944, p. 88.



BULLETIN



October 1, 1944

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Research and Publication, Office of Public Information, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.*

*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

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# The Argentine Situation

## STATEMENT BY THE PRESIDENT

[Released to the press by the White House September 29]

I have been following closely and with increasing concern the development of the Argentine situation in recent months. This situation presents the extraordinary paradox of the growth of Nazi-Fascist influence and the increasing application of Nazi-Fascist methods in a country of this hemisphere, at the very time that those forces of oppression and aggression are drawing ever closer to the hour of final defeat and judgment in Europe and elsewhere in the world. The paradox is accentuated by the fact, of which we are all quite aware, that the vast majority of the people of Argentina have remained steadfast in their faith in their own, free, democratic traditions and in their support of the nations and peoples who have been making such great sacrifices in the fight against the Nazis and Fascists. This was made clear beyond all doubt by the great spontaneous demonstration of public feeling in Argentina after word was received of the liberation of Paris.

The policy of the Government of the United States toward Argentina as that policy has been developed in consultation with the other American republics has been clearly set forth by Secretary Hull.<sup>1</sup> There is no need for me to restate it now.

The Argentine Government has repudiated solemn inter-American obligations on the basis of which the nations of this hemisphere developed a system of defense to meet the challenge of Axis aggression.

Unless we now demonstrate a capacity to develop a tradition of respect for such obligations

among civilized nations, there can be little hope for a system of international security, theoretically created to maintain principles for which our peoples are today sacrificing to the limit of their resources, both human and material.

In this connection I subscribe wholeheartedly to the words of Prime Minister Churchill in the House of Commons on August second when he declared that:

“This is not like some small wars in the past where all could be forgotten and forgiven. Nations must be judged by the part they play. Not only belligerents but neutrals will find that their position in the world cannot remain entirely unaffected by the part that they have chosen to play in the crisis of the war.”

I have considered it important to make this statement of the position of the Government of the United States at this time because it has come to my attention that the Nazi radio beamed to Latin America, the pro-Nazi press in Argentina, as well as a few irresponsible individuals and groups in this and certain other republics, seek to undermine the position of the American republics and our associates among the United Nations by fabricating and circulating the vicious rumor that our counsels are divided on the course of our policy toward Argentina.

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<sup>1</sup> BULLETIN of July 30, 1944, p. 107.

# Present Problems in Italy

STATEMENT BY THE PRESIDENT AND PRIME MINISTER CHURCHILL

[Released to the press by the White House September 26]

The President and the Prime Minister held further discussions Monday and Tuesday, September 18 and 19, at Hyde Park, on subjects dealing with post-war policies in Europe. The result of these discussions cannot be disclosed at this time for strategic military reasons, and pending their consideration by our other Allies.

The present problems in Italy also came under discussion, and on this subject the President and the Prime Minister issued the following statement:

"The Italian people, freed of their Fascist and Nazi overlordship, have in these last twelve months demonstrated their will to be free, to fight on the side of the democracies, and to take a place among the United Nations devoted to principles of peace and justice.

"We believe we should give encouragement to those Italians who are standing for a political rebirth in Italy, and are completing the destruction of the evil Fascist system. We wish to afford the Italians a greater opportunity to aid in the defeat of our common enemies.

"The American and the British people are of course horrified by the recent mob action in Rome, but feel that a greater responsibility placed on the Italian people and on their own government will most readily prevent a recurrence of such acts.

"An increasing measure of control will be gradually handed over to the Italian Administration, subject of course to that Administration's proving that it can maintain law and order and the regular administration of justice. To mark this change the Allied Control Commission<sup>1</sup> will be renamed 'The Allied Commission.'

"The British High Commissioner in Italy will assume the additional title of Ambassador. The

United States representative in Rome already holds that rank. The Italian Government will be invited to appoint direct representatives to Washington and London.

"First and immediate considerations in Italy are the relief of hunger and sickness and fear. To this end we instructed our representatives at the UNRRA Conference to declare for the sending of medical aids and other essential supplies to Italy. We are happy to know that this view commended itself to other members of the UNRRA Council.

"At the same time, first steps should be taken toward the reconstruction of an Italian economy—an economy laid low under the years of the misrule of Mussolini, and ravished by the German policy of vengeful destruction.

"These steps should be taken primarily as military aims to put the full resources of Italy and the Italian people into the struggle to defeat Germany and Japan. For military reasons we should assist the Italians in the restoration of such power systems, their railways, motor transport, roads and other communications as enter into the war situation, and for a short time send engineers, technicians and industrial experts into Italy to help them in their own rehabilitation.

"The application to Italy of the Trading with the Enemy Acts should be modified so as to enable business contacts between Italy and the outside world to be resumed for the benefit of the Italian people.

"We all wish to speed the day when the last vestiges of Fascism in Italy will have been wiped out, and when the last German will have left Italian soil, and when there will be no need of any Allied troops to remain—the day when free elections can be held throughout Italy, and when Italy can earn her proper place in the great family of free nations."

<sup>1</sup> BULLETIN of Aug. 6, 1944, p. 137.

# Treatment of Axis War Criminals

## STATEMENTS BY THE SECRETARY OF STATE

[Released to the press September 28]

On August 21, 1942 and again on July 30, 1943 President Roosevelt publicly denounced the crimes which the Axis Powers, their leaders, and criminal associates were committing against innocent people. In his statement of July 30, 1943 the President expressed incredulity that any neutral country would give asylum to or extend protection to such persons and added that the Government of the United States "would regard the action by a neutral government in affording asylum to Axis leaders or their tools as inconsistent with the principles for which the United Nations are fighting". He expressed the hope that no neutral government would permit its territory to be used as a place of refuge or otherwise assist such persons in any effort to escape their just deserts.

The governments of the neutral nations in Europe and of Argentina were formally apprised of this statement.

The rapid progress of the armed forces of the United Nations in recent weeks led the Department of State late in August to call this matter again urgently to the attention of a number of neutral governments. This Government's action had the support and approval of the British and Soviet Governments.

The neutral governments were reminded that it was the intention of this Government that the successful close of the war would include provision for the surrender to the United Nations of war criminals. They were advised that if they refused to admit Axis leaders and their henchmen and criminal subordinates to their territories problems between those governments and the United Nations could be avoided. It was pointed out that the neutral governments themselves would undoubtedly regard persons guilty of such crimes against civilization as thoroughly undesirable aliens whose admission to their territories would not be in the interest of the neutral governments even if such persons were not wanted for

eventual trial by the United Nations. They were advised that the American people would not understand the extension of asylum or protection by neutral countries to any of the persons responsible for the war or for the many barbaric acts committed by the Axis leaders, and that relations between the United States and the neutral governments concerned would be adversely affected for years to come should the Axis leaders or their vassals find safety in those countries.

Some of the neutral governments had already been giving serious thought to this problem. The Swedish Government's policy was publicly announced on September 5 in a declaration to the effect that Sweden's frontiers would not be open to those who by their actions had defied the conscience of the civilized world or betrayed their own countries, and that persons of this character who succeeded in slipping into Sweden would be promptly deported. It is understood that the Swedish Government has taken concrete steps to implement that policy.

No representations were made to the Turkish Government in view of its recent rupture of relations with Germany. The Turkish Government, nevertheless, announced on September 8 that Turkish frontier authorities had been instructed not to permit Axis nationals, either civil or military, to enter Turkey by land or by sea.

The Swiss Government has indicated that it is fully alive to the problems which would arise should Axis leaders find asylum in Switzerland.

A public statement has been made by the Spanish Ambassador in Washington denying that there was any basis for supposition that Axis leaders might find refuge in Spanish territory.

No indication has yet been received of the views of certain other governments.

The Department is continuing to impress upon those governments whose policy has not yet been clearly stated the importance which it attaches to the taking of adequate measures to insure that Axis war criminals do not find asylum in their countries.

[Released to the press September 28]

Considerable attention has been attracted by a statement that a list of war criminals compiled by the War Crimes Commission in London does not include the names of Hitler and other top Nazi officials. The answer to any suggestion that they have been or are likely to be overlooked by the United Nations is found in the Moscow Declaration of 1943 on German atrocities, which, after stating that the perpetrators of atrocities in occupied territories will be brought back to the scene of their crimes and judged on the spot by the peoples whom they have outraged, specifically declares that the "major criminals, whose offenses have no particular geographical localization . . . will be punished by the joint decision of the Governments of the Allies."

The omission of the names of these people from any particular list compiled by the War Crimes Commission is without any significance whatsoever from the point of view of what the Allied Powers have in mind in regard to them.<sup>1</sup>

## Visit of Ecuadoran Banker

[Released to the press September 25]

His Excellency Señor Galo Plaza, Ambassador from Ecuador, has made arrangements with the Department of State for a series of conversations to be held in Washington between Señor Victor Emilio Estrada, personal representative of the President of Ecuador, and various officers of the Government of the United States. Señor Estrada, a well-known Ecuadoran banker, has been president of the municipality of Guayaquil since June 1944 and is also a director of the Ecuadoran Development Corporation, which is in part financed by the Export-Import Bank of Washington. His conversations with officials of our Government will be of an exploratory nature and will concern the possibility of certain further cooperative economic developments in Ecuador. It is understood that the projects which Señor Estrada will discuss are part of a broad economic program which is designed to take advantage of Ecuador's resources through improvements in transportation, agriculture, health, and sanitation.

<sup>1</sup> Statement made by the Secretary of State at his press and radio news conference on Sept. 28, 1944.

<sup>2</sup> BULLETIN of July 19, 1941, p. 41.

## Continuation of Proclaimed And Statutory Lists

[Released to the press September 26]

The Department of State issued the following statement on September 26:

"It has been determined by the United States Government and the British Government that the continuation of the Proclaimed<sup>2</sup> and Statutory Lists will be necessary following the cessation of organized resistance in Germany. This action is required in order to permit the Allied Governments to deal properly with firms which have been part and parcel of the Axis effort to gain world domination. Many of these firms have been controlled from Axis territory and have been utilized as instruments of the Axis war machine. Control over these Axis subsidiaries will be necessary as a supplement to Allied control of the head offices of these firms in Germany until adequate measures are taken to prevent the further utilization of these firms as instruments of Axis policy. It will also be necessary to continue on the lists those firms that have sold themselves out to the Axis through their desire to make temporary exorbitant profits at the expense of the cause of democracy. The continuation of the lists is also necessary in order to maintain controls over foreign assets, which have been looted from their rightful owners by the Axis Governments, until steps are taken to deprive the Axis of this stolen property. Other firms on the lists constitute foreign investments by Axis leaders in an effort to finance themselves and their cause following the surrender of Germany. The lists will also constitute a means of furthering the wartime economic strangulation of Japan.

"While the lists will be maintained during the transition period from war to peacetime conditions wherever the remnants of Axis activity require, it is contemplated that the complete or virtual withdrawal of the lists will be possible at an early date with respect to those countries where adequate controls have been established and Axis spearhead firms have been eliminated.

"The United States Government expresses its hope that all governments and persons in support of the cause of democracy will cooperate to the end that these stated objectives shall be accomplished."

# International Peace and Security Organization

## Conclusion of the First Phase of the Conversations<sup>1</sup>

### REMARKS BY THE UNDER SECRETARY OF STATE AT THE CLOSING SESSION<sup>2</sup>

[Released to the press by the State Department on the Washington Conversations September 29]

Mr. Ambassador, Sir Alexander, Gentlemen: Nearly six weeks have elapsed since we began these important conversations. In this brief period of time we have accomplished a great deal, more than many thought possible. In large measure, our achievements have been made possible by the cordial cooperation of my fellow chairmen, Ambassador Gromyko and Sir Alexander Cadogan, and all who have worked with us. I wish to express my deep personal appreciation and thanks for this cooperation, which has resulted in the splendid spirit of harmony and good-will which has prevailed throughout the conversations.

We have every reason for satisfaction with what has been accomplished. We have developed in the brief period of six weeks a wide area of agreement on the fundamental and necessary principles for an international organization to maintain peace and security. These principles will be of vital importance in guiding our Governments at every step that must yet be taken to bring into existence the organization which we have here envisaged.

The peace-loving peoples of the world will be heartened and encouraged by what we have accomplished at Dumbarton Oaks. They will await with eager hope the early completion of the task. We must not fail them and I confidently anticipate that the spirit of cooperation which has united our nations in war and which has prevailed throughout our deliberations here will lead to early agreement among the governments of all peace-loving nations.

<sup>1</sup>The conversations among the representatives of the United States, the United Kingdom, and the Union of Soviet Socialist Republics at Dumbarton Oaks in Washington began on Aug. 21, 1944. See BULLETIN of Aug. 27, 1944, p. 197.

<sup>2</sup>Mr. Stettinius is chairman of the American Delegation.

<sup>3</sup>Head of the Soviet Delegation.

<sup>4</sup>Head of the United Kingdom Delegation.

### REMARKS BY AMBASSADOR GROMYKO AT THE CLOSING SESSION<sup>3</sup>

The three delegations have sat together from August 21 until now discussing a number of important questions of the establishment of an international security organization. Today we have ground to state that the conversations have undoubtedly been useful. On behalf of the Soviet Delegation, I wish to express appreciation of the friendly atmosphere in which the delegates carried on their work. I believe I will express the opinion of all present if I thank Mr. Stettinius for his able chairmanship. I also wish to thank the United States Government, and in this I am sure I express the appreciation of every one of us for the hospitality that we have received.

### REMARKS BY SIR ALEXANDER CADOGAN AT THE CLOSING SESSION<sup>4</sup>

I should like to thank you, Mr. Chairman, for what you have said on behalf of all of us. I agree that much useful work has been done here which will contribute to ultimate success in the later stages of the discussions.

I wish to say a word about the manner in which Mr. Stettinius has conducted the conversations. He knew how to combine energy with courtesy and patience, and thus, as chairman, he has hastened our passage over the smooth parts of the road and has helped to iron out the asperities. A large part of such success as we have achieved is due to him.

I do not, of course, use the word "asperities" in its more sinister sense. There was never anything of that. Sometimes we found ourselves in disagreement in our discussion, but I believe that we disagreed amiably and reasonably. It was the experience of each of us at some time to be in opposition to the other two delegations, but even if we considered the views of the other two peculiar, we recognized that they were sincerely held, and therefore worthy of respect. I believe this is a good augury for the future.

I wish to add my thanks to the secretariat.

They have been prompt, efficient, and helpful. I also wish to express our indebtedness to the United States Government for their hospitality. They have given us every facility in this wonderful setting. They have filled, in fact almost over-filled, our scanty leisure hours. We will go home with the most agreeable memories and a deep sense of gratitude.

### JOINT STATEMENT BY HEADS OF AMERICAN, BRITISH, AND SOVIET DELEGATIONS<sup>1</sup>

[Released to the press by the State Department  
on the Washington Conversations September 29]

Conversations between the United States,  
United Kingdom, and Soviet Union Delegations

## Second Phase of the Conversations<sup>2</sup>

### REMARKS BY THE SECRETARY OF STATE AT THE OPENING SESSION

[Released to the press by the State Department  
on the Washington Conversations September 29]

In opening this phase of our conversations, it is my pleasure to bring to you the cordial greetings of President Roosevelt and to extend to you the best wishes of both of us for the complete success of your labors.

We are particularly happy to welcome here the distinguished Delegation from the Republic of China. The great wisdom and experience in international affairs which is represented by your Delegation reflects not only the high importance which your Government attaches to this subject, but assures that the Chinese contribution to the conversations will reflect mature and practical considerations.

All of us are constantly mindful of the tremendous hardships and sacrifices which the Chinese people have suffered over the long years since the cruel and barbarous enemy first launched upon its course of conquest. Nor can we ever for-

in Washington regarding the establishment of a World Security Organization have now been completed. These conversations have been useful and have led to a large measure of agreement on recommendations for the general framework of the Organization, and in particular for the machinery required to maintain peace and security. The three Delegations are making reports to their respective Governments who will consider these reports and will in due course issue a simultaneous statement on the subject.

get with what patience and courage the great Chinese people have fought on when almost every avenue of assistance seemed closed. Happily for all of us their dauntless faith in ultimate victory and their unyielding belief in human freedom have been steadfastly maintained. Their heroic efforts, together with our efforts and those of our other gallant Allies, have brought to all of us the assurance of complete victory.

It is of the highest importance, therefore, that we prepare with vigor, determination, and expedition for the new day which is dawning.

The preceding phase of the conversations has been carried out in this spirit. I wish to take this opportunity, on behalf of the President as well as on my own behalf, to express again our deep appreciation of the significant contribution which the Governments of the United Kingdom and the Soviet Union have made through their able representatives, Sir Alexander Cadogan and Ambassador Gromyko and their associates. I am fully convinced that the excellent work already done, and that which we are about to undertake, will carry us a long way toward complete understanding among our Governments and toward the wider understanding which the peace-loving peoples of the world so ardently desire.

We all realize that the successful conclusion of these exploratory conversations will constitute only the first step in the formation of the inter-

<sup>1</sup> See BULLETIN of Sept. 3, 1944, p. 233.

<sup>2</sup> The opening of the second phase of the conversations among the representatives of the Republic of China, the United Kingdom, and the United States on the general nature of an international organization for the maintenance of peace and security began on Friday, Sept. 29, 1944 at Dumbarton Oaks, Washington.

national organization which we seek to establish. Other steps must be taken as quickly as possible if we are to be prepared for the peace. The joint recommendations to be made by the representatives of our Governments will, upon the conclusion of this phase of the conversations, be made available promptly to our peoples and to the peoples of other peace-loving nations for full public discussion. The strength of the organization which we propose to establish can be no greater than the support given to it by an informed public opinion throughout the world.

It is also our hope that a full United Nations conference may be convened at an early date to bring to fruition the work which has been initiated in these conversations.

In all these deliberations we must never forget that millions of people throughout the world are struggling for an opportunity to live in freedom and security. Our great objective must be to create conditions which will make for the maintenance of international peace and security and for the advancement of human welfare, and to establish an organization for the effective realization of these high purposes.

#### REMARKS BY SIR ALEXANDER CADOGAN AT THE OPENING SESSION<sup>1</sup>

[Released to the press by the State Department  
on the Washington Conversations September 29]

In opening our discussions with our Chinese friends we are gratefully conscious that there is already a very large measure of agreement between them and us. We are all, I am sure, well aware of the importance and complexity of the problems which we have set out to resolve, but we know that the Chinese Delegation will bring all their ability and all their good-will to their solution. We look forward with pleasure to consultation with representatives of the oldest civilisation in the world, which throughout many trials, as severe as any nation has endured, has kept intact the moral ideals which are the foundations of its unique culture and way of life.

The Chinese Delegation will, I am confident, make a large contribution to the establishment of

a world organisation for the maintenance of peace and security. China has shown herself ready to assume the responsibilities which her position in history, her vast and industrious population, and the heroic conduct of her armies in a seven-year struggle against a cruel and implacable enemy have placed upon her. As a signatory of the Moscow Declaration she has declared her intention to join in setting up at the earliest practicable date a world organisation in which all peace-loving states can take part.

The papers that have been exchanged between us have shown not only that we are agreed on the main objectives, but that there is a very large measure of agreement even in detail on the methods by which these objectives shall be reached. We all desire to see set up an Assembly of all peaceful states, with a smaller Council of great and small states, together with an efficient secretariat and an international court of justice. We are all anxious to give the new organisation life by basing it on the moral ideas on which our civilisations are founded. We all also recognise that responsibility should be commensurate with power. It is for us to find the methods by which power may be rightly applied in the best interests of all nations. The horror and suffering that the world has endured should give us the will and energy to overcome all the tremendous difficulties which history shows have confronted those who apply themselves to such a task.

No people has suffered more than the Chinese. They, like the peoples of the British Commonwealth, have known what it is to stand alone on the brink of disaster. Now we are all conscious of the terrible danger that threatened not only this nation or that but the whole future of the world on which the happiness and well-being of every man and woman depends. We hope, therefore, that the memory of the danger that we have escaped, as well as of the sufferings which we have endured, will bring a unity to the world such as it has never before had. If we can agree to work together to this end we shall be able to devise, in the light of a common experience, institutions necessary to carry out our purpose. Without such common purpose and practice no institutions however well devised have the necessary strength when the moment for action comes.

<sup>1</sup> Head of the United Kingdom Delegation.

## REMARKS BY AMBASSADOR KOO AT THE OPENING SESSION<sup>1</sup>

[Released to the press September 29]

It is a matter for congratulation that the Government of the United States has arranged the present series of preliminary consultations for the establishment of an international system of peace and security. This is the great object set forth in the Four Nations Declaration of October 30th, 1943 at Moscow, and these discussions constitute another significant step towards the realization of our high purpose. One part of the consultations has already taken place and yielded fruitful results. Today's meeting marks the beginning of another part which will complete the first place in seeking an agreed set of proposals for approval by the Governments of the four signatory States to the above-mentioned declaration, and for recommendation to the other United Nations.

We of China, like you, Mr. Secretary of State, and like our British and American colleagues, attach the greatest importance to the work lying ahead of us, and we shall participate in it with the guiding thought of contributing to its success. The lack of security which has been responsible for the present world catastrophe made my country its first victim. Just as the long years of resistance to invasion with all its attendant sufferings and sacrifices have been singularly painful for China, so the prospect of a new international organization rising to effectively maintain peace and justice is particularly welcome to us.

Our desire to see it come into existence is all the keener, not only because our appeals and warnings in the past did not always meet with the response they deserved, but also because, loyal to our traditional sentiment of peace, we have ever believed in the need and the wisdom of collective effort to ensure the peace and security of nations. Our common experience has made it clear to us all that the unity of purpose and the spirit of unreserved cooperation which have together yielded such striking results in our joint struggle against the forces of tyranny and barbarism, are equally essential in our striving to build a system of durable peace.

All nations which love peace and freedom, whatever their size and strength, have a part to play in any security organization which is to be set up. We believe that such an organization should be universal in character, and that eventually all nations should be brought into it. In order to achieve full and permanent success, the new institution requires such general participation in its membership. The responsibility of member states in safeguarding international peace and security may vary according to their respective resources, but sovereign equality as reaffirmed by the Four Nations Declaration of Moscow should remain a guiding principle of the new organization.

There is a consensus of opinion among the freedom-loving peoples of the world that all disputes between nations should be settled solely by pacific means. Resort to force by any member state should be proscribed except when authorized by the new organization and acting in its name in accordance with its declared purposes and principles. Any breach of or threat to the peace should be stopped or forestalled by the application of measures which may, if necessary, take the form of military action. Since peace is the supreme interest of the world, vital for the well-being of all peoples, we think no effort should be spared in ensuring its maintenance. But to be able to carry out this primary duty, we firmly believe that the proposed structure should have at its disposal an adequate force which it can promptly use whenever and wherever it may be needed.

In the light of past experience, we believe that plans for the application of necessary measures should be worked out beforehand by appropriate agencies and reviewed from time to time, taking into account changed and changing conditions in the world. In our view it is important that such measures, to serve as an effective deterrent to actual or potential aggression, must have certainly definiteness and promptness of execution. Provision should therefore be made to obviate the necessity of consultation and debate at the last minute, which, in the light of experience, would invariably cause delay and thereby lead to an aggravation of a situation already critical.

However, the world does not stand still; and international life, like life in other domains, must grow and develop. We should, therefore, make it possible to bring about such adjustments by peace-

<sup>1</sup> His Excellency V. K. Wellington Koo, Chinese Ambassador to Great Britain, is the chairman of the Chinese Delegation.

ful means as may be required by new conditions. In order to facilitate the necessary pacific settlement, full provision should be made in the basic instrument of the new institution.

This is also true of international law. As the intercourse between peoples grows in complexity and the common interests of nations multiply and become more varied, principles and rules of conduct for their guidance need elucidation, revision, and supplementation. For such work I can think of no more authoritative or better qualified body than the proposed new institution.

One more point I wish to bring forward before I conclude. While the safeguarding of international security is an essential condition to the general welfare and peaceful development of humanity, positive and constructive efforts are also required to strengthen the foundation of peace. This can only be achieved by mitigating the causes of international discord and conflict. It is therefore our belief that the new organization should also concern itself in the study and solution of economic and social problems of international importance. It should be able to recommend measures for adoption by member states, and should also play a central role in the directing and coordinating of international agencies devoted to such purposes. With the continuous revelation of the wonders of science and the unending achievements of technology, a systematic interchange of ideas and knowledge will be invaluable in the promotion of the social and economic welfare of the peoples of the world. Similarly common effort should be made to advance international understanding and to uproot the causes of distrust and suspicion amongst nations by means of educational and cultural collaboration.

The few observations which I have just presented reflect the general views of the Government and people of China. I hope they are largely in harmony with your sentiments. We have come to take part in the consultations not merely to present our own views, but also to hear with an open mind the opinions of the other delegations. Above all, we are animated by the spirit of cooperation and by the desire to promote the success of our joint task.

The establishment of an effective international peace organization is the united hope and aspiration of all the freedom-loving peoples who have

been making such heroic sacrifices in life, blood, and toil. We owe it to them as well as to humanity at large to subordinate all other considerations to the achievement of our common object. We of the Chinese Delegation felicitate ourselves upon the opportunity afforded us of exploring this all-important problem with the eminent representatives of the United States and Great Britain. We are confident that with a common will to cooperate, with faith in our ideal, and with determination to share the responsibility, we cannot fail in our undertaking.

## Contributions by Brazil to the Allied Cause

### STATEMENT BY JEFFERSON CAFFERY<sup>1</sup>

It is well known that Brazil has contributed mightily to the Allied cause for winning this war. Perhaps her outstanding contribution has been in allowing us to set up the "Corridor to Victory" over northeast Brazil. Thousands of planes and thousands and thousands of boxes and crates have been flown over the "Corridor to Victory" on their way to the battlefronts. Munitions flown at a critical time during the Battle of Egypt saved the day when the Germans were almost at the gates of Alexandria.

It is true that there was a time when the Germans and the descendants of Germans in Brazil were very, very active; and there were some Brazilians, too, who believed that Germany was going to win the war. At one time those Germans and pro-Germans without any doubt were very noisy and frightened many people.

Now, if there are any pro-Germans left in Brazil, they do not admit it. Why? Without question the answer is to be found in the fact that the leaders of the Brazilian Government and the Brazilian press led the way and brought the entire nation over to the Allied side. They fought a good fight for the Allied cause and flouted and routed the enemy within their own borders. Axis partisans in Brazil have disappeared.

<sup>1</sup> Mr. Caffery, the former American Ambassador to Brazil, was recently appointed by the President as Representative of the United States, with the personal rank of Ambassador, to the *de facto* French authority now established at Paris.

# The President's War Relief Control Board<sup>1</sup>

The regulator and controller of all private war relief is a small but full-powered body called the President's War Relief Control Board. Established by Executive Order 9205 of July 25, 1942,<sup>2</sup> for the duration of the war and six months thereafter, its purpose is to control in the public interest all foreign and domestic private relief by a simple system of licenses, a few regulations, and far-sighted coordination.

Its history illustrates well the State Department's ability to meet and handle special war problems which relate to the Government's foreign policy. As a result of war, in 1939 hundreds of small and large foreign war-relief charities—inspired to action by the plight of enslaved, hungry, and disease-ridden nations—mushroomed all over this country.

The Neutrality Act of 1935 prohibited all activities on behalf of the belligerent countries. The act excepted, however, those activities carried on by agencies for relief purposes, provided they registered with the State Department.<sup>3</sup>

This registration system worked for a time, but the Department soon found itself faced with many difficulties: Its personnel was overtaxed with the issuance of licenses to 545 agencies, and it lacked any effective means for determining which agencies, really acting in the public interest, should be licensed. Further difficulties arose from the fact that the provisions of the Neutrality Act exempted agencies aiding technical non-belligerents like China or Spain from regulation, thus leaving a huge area of relief completely uncontrolled. In answer to the Department's call for help the President in the spring of 1941<sup>4</sup> appointed a committee of three—Joseph E. Davies as chairman, Fred-

erick P. Keppel,<sup>5</sup> and Charles P. Taft—to study the problem and to recommend appropriate action.

For several months these men studied information from 600 private relief agencies; they held conferences with appropriate governmental agencies concerned with relief and welfare activities; and they combed the outstanding national information services, as well as the National Department of War Services in Canada, for all valuable experience.

The results of this investigation showed that immediate action was imperative. More than 700 agencies that were operating in the foreign-relief field were competing in their struggle to raise funds. Many of the agencies were acting, however, without adequate knowledge of relief needs. More than 80 separate groups were helping Great Britain, and similar duplication existed for many other countries. There was an appalling amount of waste, and the funds collected were often poorly distributed or spent unproductively with excessive administrative costs. Without any cooperation or regard for each other's plans agencies conducted drives for funds. Frequently whole communities were plagued by five or six campaigns at once for the Poles, the British, the Norwegians, and others.

The committee of three worked hard: It prepared an exhaustive report to the President and did its best to coordinate some of the agencies. But in spite of good-will and general cooperation the Committee was powerless when it met a determined chiseler or was faced with opposition from a group of people unwilling to integrate its activities. As a result of that study the committee was transformed by Executive Order 9205 into a permanent, unpaid board, which was authorized to issue regulations that were soon to put war relief in the United States on a better-run and more carefully planned basis.

Not all private charities in the United States were placed within the Board's jurisdiction. In the foreign field its authority was limited to war relief, including refugee relief; in the domestic field it included welfare activities on behalf of the active members of the armed forces and the merchant marine and their dependents. Responsibility previously held by the Secretary of State

<sup>1</sup> This article was prepared by the President's War Relief Control Board.

<sup>2</sup> BULLETIN of Aug. 1, 1942, p. 658.

<sup>3</sup> Section 3 (a) of the joint resolution of Congress approved May 1, 1937 (Public Res. 27, 75th Cong., 1st sess.), amending the joint resolution approved Aug. 31, 1935. See BULLETIN of Sept. 9, 1939, p. 222.

<sup>4</sup> BULLETIN of Mar. 22, 1941, p. 336.

<sup>5</sup> In December 1943 Charles Warren was appointed to membership on the Board to fill the vacancy created by the death of Dean Frederick P. Keppel. See BULLETIN of Dec. 11, 1943, p. 415.

for regulating relief agencies was transferred to the Board, which was not to grant, renew, or cancel licenses but was to control the collection and distribution of funds in the interest of economy, to merge duplicating agencies, to coordinate the dates, and to recommend amounts for fund-raising appeals. The Board was required to consult the Secretary of State on all matters relating to foreign policy.

The Board first tackled the problems of waste and inefficiency. In order to determine whether an agency was really active in the public interest the Board worked out a simple set of regulations stipulating that the agency should have a responsible governing body willing to work without pay; that the purpose it wished to serve should not duplicate an already existing service; that the agency use ethical methods of solicitation; that it avoid in its appeals any conflict with the recognized campaigns of the National War Fund and the Red Cross, and of the Treasury for War Bond sales; that the overhead costs be not unreasonable; and that reports be made to the Board with detailed information concerning methods of solicitation, receipts, and disbursements. The Board also determines whether the suggested means of financing the agency are appropriate; whether a program should be supported from public or private funds from American citizens; whether it can be carried out under the prevailing political, economic, and military conditions, including export of commodities and transfer of funds—all within the limitations of American foreign policy; and whether shipping space is available to the area of distribution. In addition the Board must be sure that the campaign for funds does not impair the work carried on by normal home charities. Wilful breach of any of those rules results in cancellation of the agency's license to operate.

After that first move the Board, to make sure that it could pass intelligently on requests for registration and that it had effective help in dealing with occasional rackets and fraudulent promoters, established close contacts with the National Information Bureau, Better Business Bureaus, Chambers of Commerce, licensing officials in the cities, and even with the FBI.

Seldom has the Board been forced to use the broad powers it possesses. The three members believe that a persuasive rather than a coercive method is the best way to get results. When neces-

sary, members of the Board meet with the heads of the various private agencies to talk over their problems.

Another early move by the Board was to question 600 sponsors about their agencies; the result was a flood of letters from prominent citizens all over the country apologizing for their neglect of the worthy causes they were supporting and promising either to resign or to play an active role in their organizations. That attitude is a good indication of the public's response to the activities of the Board.

At times in the face of stormy opposition, the delicate task of merging rival agencies was carried on by persuasion and appeals to common sense. It was difficult to make hard-working, well-meaning people admit that their work was perhaps not the only important relief job that was being done and that perhaps they might do a better job by combining their efforts with those of similar groups. The Board brought their representatives together, and as a result of patient efforts at conciliation larger groups were soon formed by the merger or federation of smaller ones. The number of agencies has been reduced from 700 to just over a hundred.

United China Relief and Russian War Relief are two outstanding examples of the large affiliated groups. Recently created were American Relief for Italy and American Relief for France.

The Board's policy is to centralize all major relief activities for one national group abroad in one private agency in the United States and similarly to coordinate all the agencies serving the same function, such as relief to refugees. If agencies begin to reflect the political rivalries of the "home" country or wish to engage in political activities as well as relief work, the Board applies this policy: keep politics out of relief or get out of relief work.

The Board's main function is not to act as a glorified policeman but to serve rather as a clearing house of information and advice for relief groups and to make sure that every dollar spent is put to its best use. Members of the staff, who are familiar with the work of all the relief groups and who are in a good position to advise, give careful consideration to the programs of all the agencies. Not only does the Board evaluate each change in program in terms of need and feasibility, but also it scrutinizes four times a year the pro-

posed programs and budgets of all agencies financed through the National War Fund, with the advice of government officials from all departments familiar with relief activities. Representatives from the State Department, the Treasury Department, UNRRA, the Army and Navy, the Combined Production and Resources Board, the War Production Board, the Foreign Economic Administration, the Red Cross, and other agencies study the private relief plans and suggest necessary modifications to be enforced by the Board. Private relief must be made to complement and not to duplicate in any way the relief and supply programs undertaken under governmental auspices. For instance, since the Army distributes a certain amount of basic foods to the populations of liberated areas, private groups obviously should not try to send the same foods. UNRRA may be invited to bring aid to the starving population of a Balkan country. Private relief therefore should try to fill in the gaps and not attempt to carry on activities of the same kind or on the same scale as those financed by Government funds. When a foreign government is planning to buy a certain quantity of medical supplies for distribution to its nationals, American-contributed dollars should not be used for the same job.

The Board is particularly aware of the fact that a great many relief jobs exist for which public funds cannot be used or which only private groups are equipped to handle. For instance, private groups may send appreciable quantities of special foods and layettes for babies and clothing for children, and they may establish public-health programs for special purposes. Local committees of private relief agencies are particularly good at ferreting out from the public's attics supplies of used clothing and reconditioning these precious textiles for relief distribution. No Government salvage program has so far been so uniformly successful as that of the private agencies, whose initiative has in many cases made them pioneers in relief measures. They bring aid and comfort to prisoners of war and to refugees from the Axis terror. They have initiated measures which have enabled the governments of homeless nationals to assume gradually the financial burden of that aid—a burden now too great for the private agencies to carry alone.

The Board maintains regular contact with other Government agencies on the day-to-day policy de-

isions which must be made for carrying out private relief work. In addition the Board maintains contact with the Treasury Department, which must grant permission for any transfer of funds abroad. The Board makes recommendations to the Treasury when the transfer is for relief purposes under the Board's jurisdiction. Cooperation with FEA is also essential since every three months the agencies make out lists of the products which they want to ship overseas, a great many of which are on the FEA list of materials in short supply. After FEA allocates a quota for the private agencies the Board clears applications for export licenses requested by the agencies wishing to ship these and other relief commodities abroad.

The Board has, of necessity, a very special relationship with the State Department. Close liaison is maintained, not only because war relief must be carried out in accordance with the foreign policy of the United States, but also because the Department provides relief intelligence for the Board. For the first two and a half years Homer S. Fox, a Foreign Service officer, was Executive Director of the Board and provided liaison with the Department. About the time of Mr. Fox's resignation Charles P. Taft, one of the original Committee members, was appointed Director of the Office of Wartime Economic Affairs in the State Department. This dual responsibility enabled Mr. Taft to assure the Board close cooperation on matters of general policy. The formal liaison, however, is maintained through the Special War Problems Division.

With the blessing of the Board the agencies themselves have formed an organization for mutual aid, the Council of Voluntary Agencies for Foreign Service. More than 50 agencies now working in foreign countries are members of this consultative body. Their representatives meet regularly (usually in committees such as the French Area Committee and the Committee on Material Aid) to talk over common problems and to exchange valuable information. The Council, not only an operating agency, has been the means of establishing some joint services. In the spring of 1944 the Council concentrated on recruiting experts for UNRRA's Balkan mission and worked out an arrangement permitting private-relief officers to work with UNRRA on special projects.

Who collects the money for this private-relief activity? The National War Fund which grew

out of the demands of the people throughout the country. At the request of the Board the National War Fund was created in 1943 under the leadership of Mr. Winthrop Aldrich, president of the Chase National Bank, with a board of representatives from the member agencies (now numbering 28), the Community War Funds, and the public at large. Its purpose is to protect the American contributor not only by substituting a single fundraising campaign for the former successive campaigns of the individual agencies but also by combining those drives to reduce the cost of fundraising by eliminating competition, conflict, and duplication.

Preparations for the campaign are made throughout the year. Once the total quota has been established on the basis of relief needs and probable intake, it is divided into sub-quotas for each State and locality. The actual campaigning is done not by the national organization but by War Chests in each community, which report to the county officials, who in turn report to the State officials. War chests have been organized in all but a dozen or so of over 3,000 counties in the United States. The money collected by the campaigns is allocated to the member agencies according to their needs as reviewed by the Board and the War Fund Budget Committees.

Not all private war-relief agencies are represented in the National War Fund. The Board, which recommends agencies to the Fund for membership, will not certify any agency which, for instance, seeks contributions in kind only, is essentially local in scope, or is one that appeals only to a limited group of people. But by and large, the single-fund campaign eliminates a multitude of conflicting campaigns which formerly plagued the public.

The scope of private war-relief activities in the United States is large. The American people have responded generously to all the appeals for funds to bring aid to uprooted families and decimated countries throughout the world. Since the invasion of Poland more than 175 million dollars in funds and supplies have been sent overseas. Almost 20 million have gone to China, about 30 million to Russia, and more than 40 million to Great Britain. Frenchmen have received about 4½ million; more than 12 million have reached Palestine. The Greeks also have received about 12 million and the Yugoslavs about 2 million.

The rest of these millions have been shared primarily by the refugees, prisoners, and fighting forces of Norway, Luxembourg, Denmark, Holland, Czechoslovakia, Belgium, Italy, Lithuania, Latvia, Estonia, Albania, the Philippines, and all others who could be reached.

Those figures do not necessarily reflect the shadings of American sympathy or relative needs. Resources were sent where distribution was possible. It was obviously easier to reach people in areas not completely occupied by the enemy than those in enslaved countries. As Hitler's fortress crumbles and as new areas open up, the necessity for relief becomes greater: the President's Board, the Council, and the National War Fund will try to see that this relief is sent where it is needed most.

## International Conference On Civil Aviation

[Released to the press September 29]

Supplementing the invitation extended on September 11<sup>1</sup> for an international civil-aviation conference to be convened in the United States on November 1, the Department of State has transmitted to the appropriate governments and authorities the following proposed agenda for this conference:

### PROPOSED AGENDA FOR INTERNATIONAL CIVIL AVIATION CONFERENCE

(To be convened in the United States on November 1, 1944)

- I. Arrangements covering transitional period:
  - Establishment of air-transport services on a provisional basis.
    1. Arrangements for routes and services to operate during a transitional period.
    2. Drafting of agreements to implement the provisional route pattern and to guide operations during transitional period.
      - (a) Landing and transit rights to permit establishment of provisional air services as soon as possible.
      - (b) Right of technical or non-traffic stop.
      - (c) Application of cabotage.
      - (d) Use of public airports and facilities, on a non-discriminatory basis.

<sup>1</sup> BULLETIN of Sept. 17, 1944, p. 298.

- (e) Frequency of operations.
- (f) *Bona fide* nationality of air carriers.
- (g) Control of rates and competitive practices.

3. Arrangements for and selection of continuing Committee on Air Transport to serve during the transitional period.

## II. Technical standards and procedures.

1. Recommendations for setting up and adopting standards and procedures in the following fields:

- (a) Communications systems and air-navigation aids, including ground markings.
- (b) Rules of the air and traffic-control practices.
- (c) Standards governing the licensing of operating and mechanical personnel.
- (d) Airworthiness of aircraft.
- (e) Registration and identification of aircraft.
- (f) Collection and exchange of meteorological information.
- (g) Logbooks and manifests.
- (h) Maps.
- (i) Airports.
- (j) Customs procedure.

2. Arrangements for and selection of a Technical Committee and subcommittees to serve during transitional period, and to draft definitive proposals for submission to the interested governments.

## III. Multilateral aviation convention and international aeronautical body.

1. Formulation of principles to be followed in:

- (a) Drawing up a new multilateral convention on air navigation and related subjects.
- (b) Establishing such permanent international aeronautical body as may be agreed on, and determining the extent of its jurisdiction.

2. Arrangement for and selection of a Committee on Multilateral Convention and International Body to serve during transitional period and to draw up definitive proposals for submission to the interested governments.

IV. Consideration of establishment of Interim Council to serve during a transitional period which might supervise the work of other com-

mittees functioning during this period; and performing such other functions as the conference may determine.

1. Recommendations concerning locale, composition, and scope of Interim Council.
2. Length of transitional period, mechanism for converting recommendations of Interim Council and its committees into permanent arrangements, and other arrangements covering the transitional period.

## Tribute to American Aid In the Defense of Warsaw

[Released to the press September 25]

The President of the United States has received the following message from the Prime Minister of Poland:

LONDON, *September 19, 1944.*

### THE PRESIDENT:

Accept, Mr. President, the heartfelt thanks which I have the honour to present to you on behalf of the people of Warsaw for the very effective aid which the United States Air Force in their gallant flight has given the defenders of the Polish capital. We owe the successful completion of this operation to you, Mr. President, who as Supreme Commander of the United States Armed Forces gave orders to bring help to the insurgents in Warsaw who have been fighting for seven weeks a lonely battle against the Germans. This outstanding example of America's interest in and active support of those fighting for freedom will be deeply entrenched in the hearts of all Poles. Sustained by the tangible proof of a brotherhood of arms the Poles in Warsaw and throughout Poland firmly believe that in their struggle against the barbarous German enemy they will until the achievement of complete and final victory continue to receive help from the Allies and that their growing needs of supplies, particularly of food and medicals, will be fully satisfied.

We beg, Mr. President, to convey our words of thanks to the commanders and the brave airmen who with such outstanding zeal and devotion to duty have undertaken this hazardous operation, also the Polish people's warm sympathy for the next of kin of those who have lost their lives in the gallant attempt to bring sorely needed relief to their Polish comrades-in-arms.

STANISLAW MIKOLAJCZYK

# American Seamen

Address by JESSE E. SAUGSTAD<sup>1</sup>

[Released to the press September 28]

The tough time seamen have had is generally recognized. If you hadn't been having a tough time, you wouldn't be here. Here something is being done about it. Official reports of sinkings and stories of survivors have streamed through our office, and we believe we know something of what you have faced in all the vast areas of this war. You kept the ships going. Our supply line never failed.

You have shared in making the United States again a maritime nation. No country is a maritime nation unless its ships give employment to its people and to its resources. The past decline of the American merchant marine has been repeatedly stressed. The United States declined as a maritime nation when the fringe of seaboard population moved to the interior and no longer depended upon the sea for a livelihood. I do not believe seamen caused this decline. Seamen simply got better jobs ashore. So why go to sea? Ship-owners got more return on their investments in other businesses. So why invest in risky shipping ventures? And so the traditions of seafaring were lost to this country.

The merchant marine of a truly maritime nation creates seafaring traditions which are handed down much as the traditions and ethics of other professions. For a long time the American merchant marine had little seafaring tradition. Thousands of men followed the sea, but it was largely without that spirit which makes for gleaming ships and smart performance. Too few have been dependent upon ocean commerce to be much concerned with going to sea and with the operation of ships.

Today the picture is changing. Our ships are manned by citizens from every State in the Union. So far as possible seamen are schooled in ship operation before they go to sea. For the first time, the Federal Government has followed the prac-

tice of other governments of both maritime and non-maritime nations—it has established schools where those who want to go to sea may obtain training. This looks like the making of a new sea tradition in the United States, for while the Government has long maintained professional schools for the training of its military forces, the Government of this democracy has not hitherto established educational institutions for civilian vocational training.

One question now asked is, Shall the Government training schools for seamen continue or will they have served their public purpose when war conditions end? The answer will depend largely upon the seamen themselves who have been trained in these schools. Will they remain at sea? Will their training make them more effective at sea? Will their training contribute a greater number of responsible and valuable officers? When we have the answers to these last questions, we shall know the answer to the first.

One thing is certain—never in history have men gone to sea under such favorable working conditions as most of you now take for granted. The hours of work; the quality, preservation, and preparation of food; the convenience and comparative privacy of living quarters; the lighting, heating, washing, and sanitary equipment of the modern ship are conditions no one believed possible a few years ago. The floating combination of home and workshop is one of the wonders of modern industrial practice. We hear a lot of stuff about the "glorious clipper days" of this country. I wonder what an oldtime clipper shellback would think if he should board and sail on one of the new ships!

Where does all this come from? From many elements. It comes from modern standards of living and social thought; it comes from trailblazing and agitation by the seamen themselves; it comes from designers of ships, built for private or public account; and it comes from your fellow taxpayers. It comes from the same source which produced seamen's training schools.

What does the seaman propose to do in return for these conditions of work, pay, and living?

<sup>1</sup>Delivered at the dedication ceremony of the United Seamen's Service Rest Home, Sands Point, Long Island, Sept. 28, 1944. Mr. Saugstad is Acting Chief of the Shipping Division, Office of Transportation and Communications, Department of State.

Does he treat or does he expect to treat all this with a decent regard for the rights of his associates, whether these associates are his shipmates, the ship-owners, or the Government? When a ship is a man's home, the place of his work as well as the source of his income, the ship becomes a peculiarly personal possession. The question is, Do seamen treat the ship in this spirit? The equipment is there. What use do you expect to make of it?

When war conditions end and rehabilitation has been accomplished, seafaring will end for thousands of seamen, either from choice or from necessity. Opportunities for employment at sea will shrink as the national commercial fleet shrinks to fit peacetime requirements.

But those of you who quit the sea will never quite forget the experience you have had, the dangers you have faced, or the fascination you have found in service aboard ship. You will carry that with you always wherever you go, and your attitude toward it will make you a walking influence upon those about you and upon what they think of a merchant marine and maritime affairs.

Those who remain with the ships will do so because that is the life they prefer. I hope that competition with other maritime nations will not be based simply upon size of the fleet but also upon performance and appearance of both the ships and the men who sail them. It is expected that the men who remain seamen after this war will view the service as a career.

## II

It is to these seamen that I particularly want to bring home a matter which concerns them quite as much as it concerns us. This has to do with ordinary behavior and its effect upon others. Right now official and unofficial representatives of this country are scattered all over the globe. They are collectively making an impression of what an American citizen is by what they say or do. Besides the Army and Navy with their millions, we have the Coast Guard, the War Shipping Administration, the Merchant Marine, and the Foreign Service of the United States, together with representatives of other Government and private agencies, all laying the foundation of future opinions and attitudes toward the United States.

After hostilities cease, most of these representatives will in due course return to the United States. The American seaman will remain abroad as part

of his job. So will the Foreign Service. These are two occupational groups that will carry responsibility for American prestige in the post-war days.

Now someone has whispered, very gently of course, that once upon a time there was a seaman who did not like a certain American consul. The seaman expressed his dislike of the consul. The consul expressed certain views in regard to the seaman. I couldn't repeat the dialog over this microphone. I leave it to your sea-going imagination. But what the seaman didn't know was that he was talking to a man from his own town in his own State. What the consul didn't know was the same thing. Somehow they both realized the situation. By that time the seaman thought he didn't need what he was asking for, and the consul insisted upon making him a present of it anyhow.

Now what I want to get across is this: Don't forget ever that the consul comes from the same kind of people you come from. He comes from the same place and the same part of the country you come from, figuratively speaking. His home background and yours are about the same. He may never have seen a ship until he was on his way to his foreign post. I wonder how many seamen now at sea ever saw a ship before they entered the training schools. Probably consuls proportionately have had no more experience with ships before taking a foreign post than seamen have had before signing articles of a ship for the first time.

I am not here to alibi for an American consul who may have had difficulty with seamen. Nor am I here to turn over American consulates to seamen. What I have to tell you is this: It is quite possible that there are American consuls at seaports who may not be persons whom seamen like to encounter. Since it's only during the last few years that we have had an offshore fleet, a consul may never have had the opportunity to learn anything about ships and seamen. He may not have been detailed specifically to look after seamen and ships. And on the day a seaman calls, the consul may have a headache just as tough as the one the seaman may have.

If your opinion of the entire Consular Service rests on a single encounter with one consul, watch your step! Suppose we on our part were to make up our minds as to what kind of people 150,000 seamen are by our dealings with a sample hundred of them. I should consider that gamble very unfair to 149,900 seamen. So would you.

So just do a little thinking about the fact that when you are talking to an American consul, you are talking to one of your own people. You may think you are entitled to the moon. The consul's job is to explain that the Congress never included the moon among the things you are entitled to. He can't give it to you no matter how much he may want to nor how sympathetic he may be. But he will tell you what you are entitled to and see that you get it if available. And I may add I know of some bouts between seamen and consuls where I think the seaman came out the better of the two. He got the decision in the first round.

In recognition of the immense increase in our sea-going population we, for the first time, are giving American consular officers practical experience with the work they are to do by putting them through a condensed course of training which includes work in both Washington and at sea-ports. They study and observe the procedures of the shipping commissioners, immigration officials, customs officers, and Coast Guard in order to see in operation some of those functions at this end of the line which they are to perform at the foreign end of the line. They are given the benefit of discussions with representative experienced Foreign Service officers and with officers of the Divisions of Operations, Labor Relations, and Recruitment and Manning Organization of the War Shipping Administration. By this means the officers go into the field with a practical idea of what they are to do and of what is expected of them. They leave here ready to do a good job in looking after the interests of American seamen. All we expect is a little cooperation on the part of the seamen.

### III

This is the first opportunity I have had in behalf of the Department and the Consular Service to express our gratitude for the hostels and recreation centers established overseas by the United Seamen's Service. More than one American consul has reported to the Department that U.S.S. facilities have relieved intolerable situations at ports where accommodations were either not to be had or were of such undesirable quality as to be worse than none at all. A hundred shipwrecked seamen arriving at a little port which may have accommodations for ten can certainly create a problem of considerable magnitude. If there is a hostel at the port where seamen may find not only sleeping quarters but recreation fa-

cilities, the consuls, the seamen, and the inhabitants of the port are collectively grateful.

May I also record at this time our appreciation of the assistance given by the War Shipping Administration in dealing with statutory limitations which affect the care and repatriation of American seamen. As you know, the statutes have long since been outmoded by current practice, and without the assistance of the War Shipping Administration in augmenting statutory provisions, we should have been obliged to ask for new legislation in the midst of the emergency.

One of the first moves we expect to make after the war is to ask seamen and those who represent them to support us in requesting Congress to modernize the laws covering care and protection of seamen. The authority of American consular officers should be streamlined in accordance with modern shipping practice and should be extended to include rights and privileges to which seamen are entitled under modern working conditions.

## PUBLICATIONS

### DEPARTMENT OF STATE

Detail of Military Officer to Serve as Director of the Polytechnic School of Guatemala: Agreement between the United States of America and Guatemala renewing the agreement of July 17, 1943—Effected by exchange of notes signed at Washington January 5 and 17, 1944; effective July 17, 1944. Executive Agreement Series 397. Publication 2168. 2 pp. 5¢.

### OTHER GOVERNMENT AGENCIES

Treaties and Executive Agreements: An analysis prepared for the Committee on Foreign Relations by Henry S. Fraser, Assistant Counsel, Special Committee Investigating Petroleum Resources. S. Doc. 244, 78th Cong. 33 pp.

## THE FOREIGN SERVICE

### Diplomatic and Consular Offices

The American Legation at Luxembourg was reestablished on September 23, 1944 and will function as a combined office.

The American Consulate at Rome, Italy, was established on September 26, 1944.

# Responsibilities of FEA After the Defeat of Germany

LETTER OF THE PRESIDENT TO LEO T. CROWLEY<sup>1</sup>

[Released to the press by the White House September 29]

In accordance with our discussions, the following are the major policies which should be put into effect by the Foreign Economic Administration within the scope of its present functions and responsibilities when the military resistance of Nazi Germany is overcome:

1. *Export Control.* With a view to encouraging private trade without interfering with the successful prosecution of the war against Japan, the FEA should relax controls over exports to the fullest extent compatible with our continuing war objectives, particularly that of defeating Japan as quickly and effectively as possible.

International trade on as full and free a basis as possible is necessary not only as a sound economic foundation for the future peace, but it is also necessary in order that we may have fuller production and employment at home. Private industry and private trade can, I am sure, produce a high level of international trade, and the Government should assist to the extent necessary to achieve this objective by returning international commerce to private lanes as rapidly as possible.

2. *Strategic and Critical Raw Materials.* In view of the curtailment which is to be made in our war production after the German phase of the war, the Foreign Economic Administration should consult with the appropriate supply agencies with a view to making an appropriate cut in its foreign procurement program for strategic and critical materials needed in the prosecution of the war.

The adjustment to this reduced program should be made in such a way as to prevent undue and unnecessary financial losses to American taxpayers, to best preserve our foreign relations and to strengthen the foundation for a high level of international trade in the future.

3. *Preclusive Buying.* The Foreign Economic Administration has been buying abroad materials

needed by the Axis to produce munitions and other war materials in order to prevent our enemies from getting them. I understand that the peak of this program is already passed as a result of the victories which have been won by the United Nations. The Foreign Economic Administration should continue to take all necessary steps to prevent Japan from getting strategic and critical materials for the Japanese war program, but it should limit its preclusive purchasing program to achieving that end, observing, of course, any existing commitments.

4. *Economic Warfare.* The Foreign Economic Administration's studies of the enemy's war potential and other phases of economic warfare should be reduced and focused on the war against Japan. This work should be carried on as it has in the past, in close integration with our armed forces.

5. *Lend-Lease.* Lend-Lease supplies should continue to be furnished in whatever amounts are necessary for the most effective prosecution of the war. We have waged war on a combined basis with our Allies with a success which is being amply demonstrated every day on the battlefields of Europe and the Far East. Until the complete defeat of both Japan and Germany, the flow of Lend-Lease aid should be continued in the amounts necessary to enable the combined strength of all the United Nations to defeat our common enemies as quickly as possible and with the least loss of life. The amount and nature of the aid necessary after the defeat of Germany is closely tied up with the strategic plans for the Pacific war, and the programs for reconstruction and for reconversion of industry to civilian needs which we and our Allies work out on a basis of mutual understanding. The Foreign Economic Administration should aid in carrying out this policy to the fullest extent.

6. *Surplus Property.* As you have done in the past, you should continue to take every reasonable

<sup>1</sup> Administrator, Foreign Economic Administration.

measure to see to it that no unnecessary surpluses develop out of procurement by the Foreign Economic Administration for Lend-Lease, UNRRA or other purposes. In connection with procurement or production for Lend-Lease or relief and rehabilitation purposes, you should continue to investigate and take up supplies of other Government agencies which are or may be surplus.

7. *Control of the War-Making Power of Germany.* You have been making studies from the economic standpoint of what should be done after the surrender of Germany to control its power and capacity to make war in the future. This work must be accelerated, and under the guidance of the Department of State you should furnish assistance in work and when requested to do so in personnel by making available specialists to work with the military authorities, the Foreign Service, and such other American agencies and officials as participate with the United Nations in seeing to it that Germany does not become a menace again to succeeding generations.

8. *Reconstruction and Future Foreign Trade.* It is in the national interest of the United States, as well as the joint interest of the United States and the other peace-loving nations, that the destruction and devastation of war be repaired and that the foundations for a secure peace be laid. I understand that you are also preparing to submit for my consideration major proposals along these lines. In varying degrees every workman, every farmer and every industry in the United States has a stake in the production and flow of manufactured goods, agricultural products and other supplies to all the other countries of the world. To produce the largest amount of useful goods and services at home, we should export and import as much as possible.

Any marked improvement in the economic well-being of the United States will not only improve the economic well-being of the other peace-loving peoples of the world, but will also aid materially in the building of a durable peace.

With this objective in mind, you should continue to take such action as is necessary or desirable in accordance with the powers delegated to the Foreign Economic Administration and in conformity with the foreign policy of the United States as defined by the Secretary of State.

## Exchange of American and German Nationals

[Released to the press September 26]

Two hundred and nineteen seriously sick and wounded United States Army officers and enlisted men, until recently prisoners of war of the German Government, arrived on September 26 at Jersey City, New Jersey, the State Department and War Department announced in a joint statement.

They were returned to this country aboard the Swedish motorship *Gripsholm* in accordance with the terms of a repatriation agreement with Germany. The exchange resulting in their return was made at Göteborg, Sweden. Fifteen of the persons exchanged at Göteborg were removed from the vessel at a British port and were flown to the United States.

Under a separate agreement with the German Government the repatriation of more than 1,700 seriously sick and wounded prisoners of war and protected personnel of the British Commonwealth of Nations was accomplished. Transfer of both American and British personnel was effected at Göteborg at the same time. The British were repatriated on the vessels *Drottningholm* and *Arundel Castle*.

In the repatriation operation there were sent to Germany approximately 1,600 German prisoners of war and protected personnel who had been in United States and British custody.

No American protected personnel were returned aboard the *Gripsholm*.

The Swiss Government provided the channels of communication through which arrangements for the exchange were successfully made. Mr. Emil Greuter of the Swiss Legation at Washington, D. C., acted as neutral representative aboard the *Gripsholm*. The Swedish Government permitted the use of port facilities at Göteborg for the exchange. The thanks of the United States Government have been expressed to the neutral Governments for the part which they have played in the successful negotiation and completion of this exchange.

It is hoped that with the cooperation of the neutral nations arrangements can be made soon

for the repatriation of additional seriously sick and wounded prisoners of war.

[Released to the press September 30]

On September 11, 1944 the Department of State received a report from the British Admiralty through the American Embassy at London to the effect that the exchange ship *Gripsholm* on its return journey from Göteborg carrying sick and wounded American prisoners of war had been detained on that date at Kristiansans, Norway, by the German authorities. The Department of State immediately telegraphed the following protest to the American Legation at Bern for urgent transmission to the German Government through the Swiss Government:

"United States Government views with concern action of Germans in detaining *Gripsholm* and preventing communication between her and other exchange vessels. United States Government expects that in accordance with previously-granted safe conduct German Government will immediately release *Gripsholm* to continue its voyage. United States Government expects to receive promptly explanation of unprecedented action of German authorities."

The Department of State subsequently received official reports stating that during the period of detention of the *Gripsholm* the German authorities removed two members of the crew of the vessel. Upon receipt of this information a second protest was made to the German Government through Bern, the text of which follows:

"Department now officially informed through Swiss and Swedish channels that *Gripsholm* was allowed to resume her voyage after nine-hour delay and after forcible removal from vessel of two members of crew, a motorman and a waiter, both of whom were signed on at New York.

"United States Government can only assume that removal of these two seamen from the vessel, hampering its operation and hampering care of sick and wounded passengers on board, together with unjustified delay of vessel are the result of mistaken activity by some subordinate official who was not aware of German safe conduct covering vessel and all on board. Department protests this unauthorized action and expects that the two seamen in question will be promptly released from German custody onto neutral territory. Department furthermore expects that official responsible

for this unprecedented action will be appropriately dealt with."

The two members of the crew who were removed by the Germans are Robert Raymond Kelly, allegedly an American citizen born at Philadelphia on January 2, 1924, whose mother, Mrs. Blanche Kelly, resides at 217 West Thirteenth Street, Mission, Texas, and Erik Poul Hansen, allegedly a Danish subject. It was Kelly's first voyage on the *Gripsholm*. Hansen had previously served on that vessel.

## THE DEPARTMENT

### Centralized Transportation Service<sup>1</sup>

*Purpose.* The purpose of this order is to create a centralized transportation service within the Department of State to facilitate the official travel of officers and employees of the Department, both within and outside the continental limits of the United States, the official travel of officers and employees of other civilian governmental agencies outside the continental limits of the United States, and the travel of foreign nationals.

1 *Establishment of Transportation Service Branch in the Division of Foreign Service Administration, Office of the Foreign Service.* There is hereby created a Transportation Service Branch in the Division of Foreign Service Administration, Office of the Foreign Service.

2 *Functions of the Transportation Service Branch.* The Transportation Service Branch shall be responsible for making all arrangements to facilitate the official travel of officers and employees of the Department within and outside the continental limits of the United States, the official travel of officers and employees of other civilian agencies outside the continental limits of the United States, and the travel of foreign nationals. This includes the preparation of travel orders, the issuance of government transportation requests and bills of lading, the procurement of tickets for rail, air, boat, or other kinds of transportation, of freight accommodations, and of air priorities, and the arrangements for medical and health examinations and inoculations, and other similar services for authorized travelers. In connection with

<sup>1</sup> Departmental Order 1286, dated and effective Sept. 18, 1944.

these activities the Transportation Service Branch shall establish liaison with the appropriate offices and divisions of the Department of State and with other agencies of the Government, including the War and Navy Departments and the War Shipping Administration.

3 *Functions retained by other divisions of the Department.* The function of authorizing travel shall continue to be performed in the same manner as heretofore, and the Division of Budget and Finance shall continue to be responsible for the administrative audit of all obligation and disbursement documents issued in connection with requests for reimbursement of the cost of such official travel and transportation.

4 *Procedures governing the authorization, arrangement, and audit of official travel.* Procedures governing the authorization, arrangement, and audit of official travel shall be issued in the Official Travel Series of Administrative Instructions. As a result of studies which are being made currently, a series of instructions will be issued

shortly to simplify, clarify, and facilitate the handling of official travel.

5 *Transfer of records and personnel.* The personnel in other divisions of the Department at present performing the functions vested by this order in the Transportation Service Branch, Division of Foreign Service Administration, Office of the Foreign Service, together with all records pertaining thereto, are hereby transferred to the Transportation Service Branch.

6 *Amendment of previous orders.* Departmental Order 1218 of January 15, 1944, as amended, is hereby further amended to give effect to the provisions of this order.

CORDELL HULL

SEPTEMBER 18, 1944.

## Appointment of Officers

Edward G. Cale has been designated Acting Chief of the Commodities Division, effective September 18, 1944.

## TREATY INFORMATION

### Merchant Shipping

[Released to the press September 28]

The Agreement on Principles Having Reference to the Continuance of Co-ordinated Control of Merchant Shipping which has now been published will bring about an adjustment in the present arrangements for the control of the employment of United Nations shipping.<sup>1</sup> It can best be understood in relation to those arrangements. At present all British and United States ships (except certain coastal vessels) are under requisition to their respective Governments. The great majority of ships under the flags of other United Nations are also under requisition by their Governments and have been chartered for the duration of the war in Europe to the British Ministry of War Transport or the War Shipping Administration or have been otherwise made available for employment by one or the other of those bodies. In this way two pools of shipping are constituted the employment of which is coordinated through the combined shipping adjustment boards, with

arrangements for consultation between the British and United States and the other United Nations Governments.

At or soon after the general suspension of hostilities in Europe the existing agreements for the use by the British Ministry of War Transport and the War Shipping Administration of United Nations ships under other flags will terminate; but the requirements for ships will remain heavy for military purposes as well as for the supply of liberated areas and all other purposes of the United Nations. In the agreement the governments which have cooperated in the provision of ships for United Nations purposes have agreed to continue to devote their shipping resources to these needs until the war in the Far East is won.

Machinery is provided for the effective collaboration by governments in the use of available shipping by the establishment of a United Maritime Council and United Maritime Executive Board. Through these bodies, which will come into operation on the general suspension of hostilities in Europe, the contracting governments will implement the principles laid down in the

<sup>1</sup> BULLETIN of Aug. 13, 1944, p. 157.

agreement. The principles will remain in effect until six months after the suspension of hostilities in Europe or the Far East (whichever is the later) unless terminated or modified earlier by unanimous agreement.

The agreement has been signed by the Governments of Belgium, Canada, Greece, Netherlands, Norway, Poland, the United Kingdom, and the United States of America, while the French Committee of National Liberation has signified that all French shipping is and remains at the disposal of the United Nations. The Soviet Government and other interested United Nations Governments have been kept informed. The agreement springs from the close collaboration achieved in the past and now existing between the governments which have mainly contributed to the provision of shipping to meet the needs of all the United Nations, and it continues that collaboration for the general benefit into the succeeding phases. The cooperation of all United Nations not presently signatory and other friendly governments will be welcomed, and it is contemplated that certain of them will accede to the agreement and participate in the central authority.

**AGREEMENT ON PRINCIPLES HAVING REFERENCE TO THE CONTINUANCE OF CO-ORDINATED CONTROL OF MERCHANT SHIPPING.**

The undersigned representatives, duly authorised by their respective Governments or Authorities, hereinafter referred to as contracting Governments, have agreed as follows:—

1. The contracting Governments declare that they accept as a common responsibility the provision of shipping for all military and other tasks necessary for, and arising out of, the completion of the war in Europe and the Far East and for the supplying of all the liberated areas as well as of the United Nations generally and territories under their authority.

2. The contracting Governments undertake to continue to maintain such powers of control over all ships which are registered in their territories or are otherwise under their authority as will enable them effectively to direct each ship's employment in accordance with the foregoing declaration. Subject to the provisions of paragraphs 3 and 9, this control shall continue to be exercised by each contracting Government through the mechanism of requisitioning for use or title.

3. The contracting Governments agree not to release from control any ships under their authority or permit them to be employed in any non-essential services or for any non-essential cargo unless the total overall tonnage is in excess of the total overall requirements, and then only in accordance with a mutually acceptable formula which shall not discriminate against the commercial shipping interests of any nation and shall extend to all contracting Governments an equitable opportunity for their respective tonnages to engage in commercial trades.

4. Neutral Governments having ships under their control in excess of the tonnage required to carry on their essential import requirements shall be invited to subscribe to obligations in respect of all their ships which shall ensure that their employment is in conformity with the general purposes of the United Nations.

5. The contracting Governments undertake to exercise control over the facilities for shipping available in their territories, by suitable measures on the lines of the United States and British Ship Warrant Schemes, and to take such other measures as may be necessary to secure that ships under all flags are used in conformity with the purposes of the United Nations. Other Governments acceding hereto shall give a similar undertaking.

6. Without prejudice to questions of disposition or title, the employment of such ships as may at any time be permitted to operate under enemy flag or authority shall be determined to serve the requirements of the United Nations.

7.—(a) In order that the allocation of all ships under United Nations control may continue to be effectively determined to meet the requirements of the United Nations, a central authority shall be established, to come into operation upon the general suspension of hostilities with Germany. The central authority shall be organised in accordance with the plan agreed in the Annex.

(b) The central authority shall determine the employment of ships for the purpose of giving effect to the responsibilities assumed by each contracting Government in paragraph 1 to provide the tonnage required from time to time to meet current requirements for ships for the military and other purposes of the United Nations, and ships shall be allocated for those purposes by those Governments in accordance with the decisions of the

central authority. So far as is consistent with the efficient overall use of shipping as determined by the central authority for those purposes, and with the provisions of paragraph 7(c), each contracting Government may allocate ships under its own authority, wholly or partly to cover the essential import requirements of territories for which it has special shipping responsibilities.

(c) In general, ships under the flag of one of the contracting Governments shall be under the control of the Government of that flag, or the Government to which they have been chartered.

In order to meet the special case of military requirements those ships which have been taken up, under agreements made by the United States Government and/or United Kingdom Government with the other Governments having authority for those ships, for use as troopships, hospital ships, and for other purposes in the service of the armed forces, shall remain on charter as at present to the War Shipping Administration and/or the Ministry of War Transport as the case may be, under arrangements to be agreed between the Governments severally concerned. (Any further ships required for such purposes shall be dealt with in a like manner.)

The fact that these ships are assigned to military requirements shall not prejudice the right of the Governments concerned to discuss with the central authority the measures to be taken to provide shipping for their essential requirements within the scope of paragraph 1.

(d) The contracting Governments shall supply to one another, through the central authority, all information necessary to the effective working of the arrangements, e.g., regarding programmes, employment of tonnage, and projected programmes, subject to the requirement of military secrecy.

(e) The central authority shall also initiate the action to be taken to give effect to paragraph 5 and shall direct action under paragraph 6.

(f) The terms of remuneration to be paid by the users (Government or private) of ships shall be determined by the central authority on a fair and reasonable basis in such manner as to give effect to the following two basic principles:—

- (i) Ships of all flags performing the same or similar services should charge the same freights.

- (ii) Ships must be employed as required without regard to financial considerations.

8. The principles herein agreed shall apply to all types of merchant ships, irrespective of size, including passenger ships, tankers and whale factories when not used for whaling (but paragraph 7(b) will not be applicable to ships engaged in coastal trades and short trades between nearby countries, the arrangements for control of which shall be appropriate to meet the requirements prevailing in each particular area).

The principles shall also be applied to the extent necessary, through suitable machinery, to fishing vessels, whale catchers, and other similar craft in those areas where special measures in respect of such craft are agreed to be necessary. A special authority shall be set up capable of apportioning between naval and commercial services such craft as are available in those areas.

9. The foregoing principles shall take effect on the coming into operation of the central authority, and shall remain in effect for a period not extending beyond six months after the general suspension of hostilities in Europe or the Far East, whichever may be the later, unless it is unanimously agreed among the Governments represented on the duly authorised body of the central authority that any or all of the agreed principles may be terminated or modified earlier.

Done in London on the 5th day of August, 1944.

#### ANNEX

##### *Organisation of the Central Authority.*

1. The central authority shall consist of—
  - (a) A Council (United Maritime Council).
  - (b) An Executive Board (United Maritime Executive Board).
  - (a) THE UNITED MARITIME COUNCIL.
2. Each contracting Government shall be represented on the Council. Membership of the Council shall also be open to all other Governments, whether of the United Nations or of neutral countries, which desire to accede and are prepared to accept the obligations of contracting Governments.
3. The Council shall meet when deemed necessary and at least twice a year at such places as may

be convenient. Meetings shall be arranged by the Executive Board. The Council shall elect its own Chairman and determine its own procedure. The meetings of the Council are intended to provide the opportunity for informing the contracting Governments as to the overall shipping situation and to make possible the interchange of views between the contracting Governments on general questions of policy arising out of the working of the Executive Board.

(b) THE UNITED MARITIME EXECUTIVE BOARD.

4. The Executive Board shall be established with Branches in Washington and London under War Shipping Administration and Ministry of War Transport chairmanship respectively.

5. The Executive Board shall exercise through its Branches the executive functions of the central authority. Appropriate machinery under the two Branches shall be established for the purpose of enabling them to discharge the functions described in paragraph 7 of the Agreement on Principles. Machinery to carry out the arrangements under paragraph 8 of that Agreement as regards ships engaged in coasting and short sea trades, and as regards small craft shall be set up under the Executive Board.

6. The division of day-to-day responsibility between the two Branches of the Executive Board shall be established as convenient from time to time. So that the two Branches of the Executive Board may work in unison, meetings of the Executive Board as a whole shall be arranged at the instance of the two chairmen, as often as may be necessary, and at such place as may be convenient from time to time.

7. The membership of the Executive Board shall be restricted in numbers. By reason of their large experience in shipping normally engaged in international trade, and their large contribution of ships for the common purpose, the following Governments shall be represented on the Executive Board:

Government of the United Kingdom of Great Britain and Northern Ireland;  
Government of the United States of America;  
Government of the Netherlands;  
Government of Norway.

It shall be open to the members of the Executive Board to recommend to contracting Governments

additions to the membership of the Executive Board as circumstances may require in order to promote the effective working of the central authority.

8. Each contracting Government not represented on the Executive Board shall be represented by an associate member who shall be consulted by, and entitled to attend meetings of, the Executive Board or its Branches on matters affecting ships under the authority of that Government, or on matters affecting the supply of ships for the territories under the authority of that Government.

9. The Executive Board and its Branches shall proceed by agreement among the members. There shall be no voting.

10. The decisions of the Executive Board affecting the ships under the authority of any contracting Government shall be reached with the consent of that Government, acting through its representative on the Executive Board or through its associate member, as the case may be.

11. The Executive Board shall be the duly authorised body for the purpose of paragraph 9 of the Agreement on Principles, but it is understood that no decision reached under that paragraph by the Governments represented on the Executive Board shall impose any new or greater obligation on any other contracting Government without its express consent.

12. A Planning Committee shall be set up to begin work in London as soon as possible after the signature of the Agreement on Principles for the purpose of working out on a basis satisfactory to the contracting Governments the details of the machinery required to enable the Executive Board to discharge its functions, including the functions under paragraph 7(f). Any contracting Government may be represented on the Planning Committee.

13. The Executive Board shall have the full use of the machinery and procedure of the War Shipping Administration and Ministry of War Transport in order to avoid duplication.

14. The contracting Governments shall nominate their representatives on the Planning Committee to the Governments of the United States and the United Kingdom, as soon as practicable. They shall also so nominate their representatives as members or as associate members of the Executive Board as the case may be. The Governments

of the United States and the United Kingdom shall be responsible, in consultation with the other contracting Governments concerned, for determining the date of coming into operation of the central authority in accordance with paragraph 7(a) of the Agreement on Principles.

### Detail of American Naval Officer To Brazil

[Released to the press September 29]

In conformity with the request of the Government of Brazil there was signed on Friday, September 29, 1944 by the Honorable Cordell Hull, Secretary of State, and His Excellency Carlos Martins, Ambassador of Brazil in Washington, an agreement providing for the detail of an officer of the United States Navy to serve in the Ministry of Transportation as a Technical Adviser to the Brazilian Merchant Marine Commission.

The agreement will continue in force for four years from the date of signature but may be extended beyond that period at the request of the Government of Brazil.

The agreement contains provisions similar in general to provisions contained in agreements between the United States and certain other American republics providing for the detail of officers of the United States Army or Navy to advise the armed forces of those countries.

### Parcel-Post Agreement

On September 25, 1944 the President approved and ratified a Parcel-Post Agreement between the United States of America and Palestine signed at Washington on September 6, 1944 and at Jerusalem on May 10, 1943, and the regulations of execution thereof.

### Wounded and Sick; Prisoners of War

#### *Venezuela*

The Minister of Switzerland transmitted to the Secretary of State, with a note of July 17, 1944, a certified copy of the procès-verbal recording the deposit in the archives of the Swiss Confederation on July 15, 1944 of the instruments of ratification by the President of the Republic of Venezuela of

the Convention for the Amelioration of the Condition of the Wounded and the Sick of Armies in the Field<sup>1</sup> and of the Convention Relating to the Treatment of Prisoners of War,<sup>2</sup> both signed at Geneva on July 27, 1929.

The conventions will become effective for Venezuela on January 15, 1945, six months after the date of deposit of the ratifications.

### Military-Service Agreement, Great Britain and Mexico

There is printed in the Mexican *Diario Oficial* of September 12, 1944, pages 2-3, a decree issued by the President of Mexico on April 27, 1944 promulgating a military-service agreement between the Government of the United Kingdom and the Government of India on one hand and the Government of Mexico on the other. This agreement provides for the reciprocal exemption from compulsory military service of Mexican citizens in the United Kingdom, India, Newfoundland, Burma, Southern Rhodesia, in British colonies, in territories under British protection or sovereignty, and in territories under mandate exercised by His Majesty's Government in the United Kingdom; and of British subjects and British-protected persons belonging to the said territories, in Mexico. The exchange of notes of July 8, 1943 between the British Minister in Mexico and the Mexican Minister for Foreign Affairs, which constitutes the agreement between the contracting Governments, is effective from November 25, 1942.

### Nature Protection and Wildlife Preservation

#### *Mexico*

The Director General of the Pan American Union informed the Secretary of State, by a letter of September 14, 1944, that the Government of Mexico, in accordance with the terms of article VIII of the Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere which was opened for signature at the Pan American Union on October 12, 1940,<sup>3</sup> wishes to add to

<sup>1</sup> Treaty Series 847.

<sup>2</sup> Treaty Series 846.

<sup>3</sup> Treaty Series 981.

its list in the Annex to that Convention the following species:

ELEFANTE MARINO (*Machorhinus angustirostris*)  
FOCA FINA (*Arctocephalus townsendi*)  
MANATI or VACA MARINA (*Trichechus* sp.)

## Regulations Relating to Migratory Birds

On September 26, 1944 the President approved and proclaimed amendments to the regulations approved by Proclamation 2616 of July 27, 1944,<sup>1</sup> submitted to him by the Secretary of the Interior, for the enforcement of the convention between the United States and Great Britain for the pro-

tection of migratory birds signed August 16, 1916,<sup>2</sup> and the convention between the United States and Mexico for the protection of migratory birds and game mammals signed February 7, 1936.<sup>3</sup> The regulations, and amendments thereto, are approved and proclaimed by the President under authority of the Migratory Bird Treaty Act of July 3, 1918,<sup>4</sup> as amended by the act of June 20, 1936.<sup>5</sup>

The above-mentioned amendments are printed in the *Federal Register* of September 29, 1944, page 11881. Prior amendments are printed in the *Federal Register* of August 29, 1944, page 10441.

<sup>2</sup> Treaty Series 628.

<sup>3</sup> Treaty Series 912.

<sup>4</sup> 40 Stat. 755.

<sup>5</sup> 49 Stat. 1555.

<sup>1</sup> *Federal Register*, Aug. 15, 1944, p. 9873.

THE DEPARTMENT OF STATE

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October 8, 1944

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# Washington Conversations on International Organization

## Statement by the President

[For release to the press by the White House on October 9]

I wish to take this opportunity to refer to the work of the Dumbarton Oaks Conversations between the delegations of the United States, the United Kingdom, the Soviet Union, and China on the plans for an international organization for the maintenance of peace and security.

The conversations were completed Saturday, October 7, 1944, and proposals were submitted to the four Governments for their consideration. These proposals have been made public to permit full discussion by the people of this country prior to the convening of a wider conference on this all-important subject.

Although I have not yet been able to make a thorough study of these proposals, my first impression is one of extreme satisfaction, and even surprise, that so much could have been accomplished on so difficult a subject in so short a time. This achievement was largely due to the long and thorough preparations which were made by the Governments represented, and in our case, was the result of the untiring devotion and care which the Secretary of State has personally given to this work for more than two and a half years—indeed for many years.

The projected international organization has for its primary purpose the maintenance of international peace and security and the creation of the conditions that make for peace.

We now know the need for such an organization of the peace-loving peoples and the spirit of unity

which will be required to maintain it. Aggressors like Hitler and the Japanese war lords organize for years for the day when they can launch their evil strength against weaker nations devoted to their peaceful pursuits. This time we have been determined first to defeat the enemy, assure that he shall never again be in position to plunge the world into war, and then to so organize the peace-loving nations that they may through unity of desire, unity of will, and unity of strength be in position to assure that no other would-be aggressor or conqueror shall even get started. That is why from the very beginning of the war, and paralleling our military plans, we have begun to lay the foundations for the general organization for the maintenance of peace and security.

It represents, therefore, a major objective for which this war is being fought, and as such, it inspires the highest hopes of the millions of fathers and mothers whose sons and daughters are engaged in the terrible struggle and suffering of war.

The projected general organization may be regarded as the keystone of the arch and will include within its framework a number of specialized economic and social agencies now existing or to be established.

The task of planning the great design of security and peace has been well begun. It now remains for the nations to complete the structure in a spirit of constructive purpose and mutual confidence.

## Statement by the Secretary Of State

[For release to the press on October 9]

The proposals for an international organization for the maintenance of international peace and security, upon which the representatives of the United States, the United Kingdom, the Soviet Union, and China have agreed during the conversations at Dumbarton Oaks, have been submitted to the four Governments and are today being made generally available to the people of this Nation and of the world.

All of us have every reason to be immensely gratified by the results achieved at these conversations. To be sure, the Proposals in their present form are neither complete nor final. Much work still remains to be done before a set of completed proposals can be placed before the peace-loving nations of the world as a basis of discussion at a formal conference to draft a charter of the projected organization for submission to the governments. But the document which has been prepared by the able representatives of the four participating nations and has been agreed to by them as their recommendation to their respective Governments is sufficiently detailed to indicate the kind of an international organization which, in their judgment, will meet the imperative need of providing for the maintenance of international peace and security.

These proposals are now being studied by the four Governments which were represented at the Washington Conversations and which will give their urgent attention to the next steps which will be necessary to reach the goal of achieving the establishment of an effective international organization.

These proposals are now available for full study and discussion by the peoples of all countries.

We in this country have spent many months in careful planning and wide consultation in preparation for the conversations which have just been concluded. Those who represented the Government of the United States in these discussions were armed with the ideas and with the results of

## International Civil Aviation Conference

[Released to the press October 7]

The Department of State has announced the selection of the Stevens Hotel in Chicago as the site for the International Civil Aviation Conference, which is scheduled to convene on November 1, 1944.

thinking contributed by numerous leaders of our national thought and opinion, without regard to political or other affiliations.

It is my earnest hope that, during the time which must elapse before the convocation of a full United Nations conference, discussions in the United States on this all-important subject will continue to be carried on in the same non-partisan spirit of devotion to our paramount national interest in peace and security which has characterized our previous consultations. I am certain that all of us will be constantly mindful of the high responsibility for us and for all peace-loving nations which attaches to this effort to make permanent a victory purchased at so heavy a cost in blood, in tragic suffering, and in treasure. We must be constantly mindful of the price which all of us will pay if we fail to measure up to this unprecedented responsibility.

It is, of course, inevitable that when many governments and peoples attempt to agree on a single plan the result will be in terms of the highest common denominator rather than of the plan of any one nation. The organization to be created must reflect the ideas and hopes of all the peace-loving nations which participate in its creation. The spirit of cooperation must manifest itself in mutual striving to attain the high goal by common agreement.

The road to the establishment of an international organization capable of effectively maintaining international peace and security will be long. At times it will be difficult. But we cannot hope to attain so great an objective without constant effort and unflinching determination that the sacrifices of this war shall not be in vain.

## Report to the Secretary of State Submitted by the Chairman Of the American Delegation

[For release to the press on October 9]

I take great pleasure in submitting to you the results of the exploratory conversations on international organization held in Washington between representatives of the Governments of the United States, the United Kingdom, the Soviet Union, and China. The first phase of the conversations, between representatives of the United States, the United Kingdom, and the Soviet Union, took place from August 21 to September 28; the second phase, between representatives of the United States, the United Kingdom, and China, was held from September 29 to October 7. The results of the work accomplished in both phases are embodied in the following Proposals which each of the four delegations is transmitting to its respective Government as the unanimously agreed recommendations of the four delegations.

I am happy to report that the conversations throughout were characterized by a spirit of complete cooperation and great cordiality among all participants, the proof of which is evident in the wide area of agreement covered in the Proposals. The few questions which remain for further consideration, though important, are not in any sense insuperable, and I recommend that the necessary

steps for obtaining agreement on these points be taken as soon as possible.

It is proper to emphasize, at the conclusion of these preliminary conversations, that the Proposals as they are now submitted to the four Governments comprise substantial contributions from each of the delegations. It is my own view, which I believe is shared by all the participants, that the agreed Proposals constitute an advance over the tentative and preliminary proposals presented by each delegation. This has resulted from a single-minded effort of all the delegations at Dumbarton Oaks to reach a common understanding as to the most effective international organization capable of fulfilling the hopes of all peoples everywhere.

I wish to take this opportunity to express my grateful recognition of the contribution to the successful outcome of these conversations made by the members of the American delegation and to commend the advisers and the staff for their most helpful assistance. Above all, I wish to express my profound appreciation to the President and to you, Mr. Secretary, for the constant advice and guidance without which our work could not have been accomplished with such constructive and satisfactory results.

E. R. STEINUS, Jr.

## Statement Issued Simultaneously by the Participating Governments

[For release to the press on October 9]

The Government of the United States has now received the report of its delegation to the conversations held in Washington between August 21 and October 7, 1944, with the delegations of the United Kingdom, the Union of Soviet Socialist Republics, and the Republic of China on the subject of an international organization for the maintenance of peace and security.

There follows a statement of tentative proposals

indicating in detail the wide range of subjects on which agreement has been reached at the conversations.

The Governments which were represented in the discussions in Washington have agreed that after further study of these proposals they will as soon as possible take the necessary steps with a view to the preparation of complete proposals which could then serve as a basis of discussion at a full United Nations conference,

# Proposals for the Establishment of a General International Organization

There should be established an international organization under the title of The United Nations, the Charter of which should contain provisions necessary to give effect to the proposals which follow.

## CHAPTER I

### PURPOSES

The purposes of the Organization should be:

1. To maintain international peace and security; and to that end to take effective collective measures for the prevention and removal of threats to the peace and the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means adjustment or settlement of international disputes which may lead to a breach of the peace;
2. To develop friendly relations among nations and to take other appropriate measures to strengthen universal peace;
3. To achieve international cooperation in the solution of international economic, social and other humanitarian problems; and
4. To afford a center for harmonizing the actions of nations in the achievement of these common ends.

## CHAPTER II

### PRINCIPLES

In pursuit of the purposes mentioned in Chapter I the Organization and its members should act in accordance with the following principles:

1. The Organization is based on the principle of the sovereign equality of all peace-loving states.
2. All members of the Organization undertake, in order to ensure to all of them the rights and benefits resulting from membership in the Organization, to fulfill the obligations assumed by them in accordance with the Charter.
3. All members of the Organization shall settle their disputes by peaceful means in such a manner that international peace and security are not endangered.
4. All members of the Organization shall refrain in their international relations from the

threat or use of force in any manner inconsistent with the purposes of the Organization.

5. All members of the Organization shall give every assistance to the Organization in any action undertaken by it in accordance with the provisions of the Charter.

6. All members of the Organization shall refrain from giving assistance to any state against which preventive or enforcement action is being undertaken by the Organization.

The Organization should ensure that states not members of the Organization act in accordance with these principles so far as may be necessary for the maintenance of international peace and security.

## CHAPTER III

### MEMBERSHIP

1. Membership of the Organization should be open to all peace-loving states.

## CHAPTER IV

### PRINCIPAL ORGANS

1. The Organization should have as its principal organs:
  - a. A General Assembly;
  - b. A Security Council;
  - c. An international court of justice; and
  - d. A Secretariat.
2. The Organization should have such subsidiary agencies as may be found necessary.

## CHAPTER V

### THE GENERAL ASSEMBLY

#### SECTION A

#### COMPOSITION

All members of the Organization should be members of the General Assembly and should have a number of representatives to be specified in the Charter.

#### SECTION B

#### FUNCTIONS AND POWERS

1. The General Assembly should have the right to consider the general principles of cooperation in

the maintenance of international peace and security, including the principles governing disarmament and the regulation of armaments; to discuss any questions relating to the maintenance of international peace and security brought before it by any member or members of the Organization or by the Security Council; and to make recommendations with regard to any such principles or questions. Any such questions on which action is necessary should be referred to the Security Council by the General Assembly either before or after discussion. The General Assembly should not on its own initiative make recommendations on any matter relating to the maintenance of international peace and security which is being dealt with by the Security Council.

2. The General Assembly should be empowered to admit new members to the Organization upon recommendation of the Security Council.

3. The General Assembly should, upon recommendation of the Security Council, be empowered to suspend from the exercise of any rights or privileges of membership any member of the Organization against which preventive or enforcement action shall have been taken by the Security Council. The exercise of the rights and privileges thus suspended may be restored by decision of the Security Council. The General Assembly should be empowered, upon recommendation of the Security Council, to expel from the Organization any member of the Organization which persistently violates the principles contained in the Charter.

4. The General Assembly should elect the non-permanent members of the Security Council and the members of the Economic and Social Council provided for in Chapter IX. It should be empowered to elect, upon recommendation of the Security Council, the Secretary-General of the Organization. It should perform such functions in relation to the election of the judges of the international court of justice as may be conferred upon it by the statute of the court.

5. The General Assembly should apportion the expenses among the members of the Organization and should be empowered to approve the budgets of the Organization.

6. The General Assembly should initiate studies and make recommendations for the purpose of promoting international cooperation in political, economic and social fields and of adjusting situations likely to impair the general welfare.

7. The General Assembly should make recommendations for the coordination of the policies of international economic, social, and other specialized agencies brought into relation with the Organization in accordance with agreements between such agencies and the Organization.

8. The General Assembly should receive and consider annual and special reports from the Security Council and reports from other bodies of the Organization.

#### SECTION C VOTING

1. Each member of the Organization should have one vote in the General Assembly.

2. Important decisions of the General Assembly, including recommendations with respect to the maintenance of international peace and security; election of members of the Security Council; election of members of the Economic and Social Council; admission of members, suspension of the exercise of the rights and privileges of members, and expulsion of members; and budgetary questions, should be made by a two-thirds majority of those present and voting. On other questions, including the determination of additional categories of questions to be decided by a two-thirds majority, the decisions of the General Assembly should be made by a simple majority vote.

#### SECTION D PROCEDURE

1. The General Assembly should meet in regular annual sessions and in such special sessions as occasion may require.

2. The General Assembly should adopt its own rules of procedure and elect its President for each session.

3. The General Assembly should be empowered to set up such bodies and agencies as it may deem necessary for the performance of its functions.

### CHAPTER VI THE SECURITY COUNCIL

#### SECTION A COMPOSITION

The Security Council should consist of one representative of each of eleven members of the Organization. Representatives of the United States of America, the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics, the Republic of China, and, in due

course, France, should have permanent seats. The General Assembly should elect six states to fill the non-permanent seats. These six states should be elected for a term of two years, three retiring each year. They should not be immediately eligible for reelection. In the first election of the non-permanent members three should be chosen by the General Assembly for one-year terms and three for two-year terms.

#### SECTION B

##### PRINCIPAL FUNCTIONS AND POWERS

1. In order to ensure prompt and effective action by the Organization, members of the Organization should by the Charter confer on the Security Council primary responsibility for the maintenance of international peace and security and should agree that in carrying out these duties under this responsibility it should act on their behalf.

2. In discharging these duties the Security Council should act in accordance with the purposes and principles of the Organization.

3. The specific powers conferred on the Security Council in order to carry out these duties are laid down in Chapter VIII.

4. All members of the Organization should obligate themselves to accept the decisions of the Security Council and to carry them out in accordance with the provisions of the Charter.

5. In order to promote the establishment and maintenance of international peace and security with the least diversion of the world's human and economic resources for armaments, the Security Council, with the assistance of the Military Staff Committee referred to in Chapter VIII, Section B, paragraph 9, should have the responsibility for formulating plans for the establishment of a system of regulation of armaments for submission to the members of the Organization.

#### SECTION C

##### VOTING

(Note: The question of voting procedure in the Security Council is still under consideration.)

#### SECTION D

##### PROCEDURE

1. The Security Council should be so organized as to be able to function continuously and each state member of the Security Council should be permanently represented at the headquarters of the Organization. It may hold meetings at such

other places as in its judgment may best facilitate its work. There should be periodic meetings at which each state member of the Security Council could if it so desired be represented by a member of the government or some other special representative.

2. The Security Council should be empowered to set up such bodies or agencies as it may deem necessary for the performance of its functions including regional subcommittees of the Military Staff Committee.

3. The Security Council should adopt its own rules of procedure, including the method of selecting its President.

4. Any member of the Organization should participate in the discussion of any question brought before the Security Council whenever the Security Council considers that the interests of that member of the Organization are specially affected.

5. Any member of the Organization not having a seat on the Security Council and any state not a member of the Organization, if it is a party to a dispute under consideration by the Security Council, should be invited to participate in the discussion relating to the dispute.

### CHAPTER VII

#### AN INTERNATIONAL COURT OF JUSTICE

1. There should be an international court of justice which should constitute the principal judicial organ of the Organization.

2. The court should be constituted and should function in accordance with a statute which should be annexed to and be a part of the Charter of the Organization.

3. The statute of the court of international justice should be either (a) the Statute of the Permanent Court of International Justice, continued in force with such modifications as may be desirable or (b) a new statute in the preparation of which the Statute of the Permanent Court of International Justice should be used as a basis.

4. All members of the Organization should *ipso facto* be parties to the statute of the international court of justice.

5. Conditions under which states not members of the Organization may become parties to the statute of the international court of justice should be determined in each case by the General Assembly upon recommendation of the Security Council.

## CHAPTER VIII

ARRANGEMENTS FOR THE MAINTENANCE OF  
INTERNATIONAL PEACE AND SECURITY IN-  
CLUDING PREVENTION AND SUPPRESSION OF  
AGGRESSION

## SECTION A

*PACIFIC SETTLEMENT OF DISPUTES*

1. The Security Council should be empowered to investigate any dispute, or any situation which may lead to international friction or give rise to a dispute, in order to determine whether its continuance is likely to endanger the maintenance of international peace and security.

2. Any state, whether member of the Organization or not, may bring any such dispute or situation to the attention of the General Assembly or of the Security Council.

3. The parties to any dispute the continuance of which is likely to endanger the maintenance of international peace and security should obligate themselves, first of all, to seek a solution by negotiation, mediation, conciliation, arbitration or judicial settlement, or other peaceful means of their own choice. The Security Council should call upon the parties to settle their dispute by such means.

4. If, nevertheless, parties to a dispute of the nature referred to in paragraph 3 above fail to settle it by the means indicated in that paragraph, they should obligate themselves to refer it to the Security Council. The Security Council should in each case decide whether or not the continuance of the particular dispute is in fact likely to endanger the maintenance of international peace and security, and, accordingly, whether the Security Council should deal with the dispute, and, if so, whether it should take action under paragraph 5.

5. The Security Council should be empowered, at any stage of a dispute of the nature referred to in paragraph 3 above, to recommend appropriate procedures or methods of adjustment.

6. Justiciable disputes should normally be referred to the international court of justice. The Security Council should be empowered to refer to the court, for advice, legal questions connected with other disputes.

7. The provisions of paragraph 1 to 6 of Section A should not apply to situations or disputes arising out of matters which by international law are solely within the domestic jurisdiction of the state concerned.

## SECTION B

*DETERMINATION OF THREATS TO THE PEACE OR  
ACTS OF AGGRESSION AND ACTION WITH RESPECT  
THERE TO*

1. Should the Security Council deem that a failure to settle a dispute in accordance with procedures indicated in paragraph 3 of Section A, or in accordance with its recommendations made under paragraph 5 of Section A, constitutes a threat to the maintenance of international peace and security, it should take any measures necessary for the maintenance of international peace and security in accordance with the purposes and principles of the Organization.

2. In general the Security Council should determine the existence of any threat to the peace, breach of the peace or act of aggression and should make recommendations or decide upon the measures to be taken to maintain or restore peace and security.

3. The Security Council should be empowered to determine what diplomatic, economic, or other measures not involving the use of armed force should be employed to give effect to its decisions, and to call upon members of the Organization to apply such measures. Such measures may include complete or partial interruption of rail, sea, air, postal, telegraphic, radio and other means of communication and the severance of diplomatic and economic relations.

4. Should the Security Council consider such measures to be inadequate, it should be empowered to take such action by air, naval or land forces as may be necessary to maintain or restore international peace and security. Such action may include demonstrations, blockade and other operations by air, sea or land forces of members of the Organization.

5. In order that all members of the Organization should contribute to the maintenance of international peace and security, they should undertake to make available to the Security Council, on its call and in accordance with a special agreement or agreements concluded among themselves, armed forces, facilities and assistance necessary for the purpose of maintaining international peace and security. Such agreement or agreements should govern the numbers and types of forces and the nature of the facilities and assistance to be provided. The special agreement or agreements should be negotiated as soon as possible and should in each case be subject to approval by the Security

Council and to ratification by the signatory states in accordance with their constitutional processes.

6. In order to enable urgent military measures to be taken by the Organization there should be held immediately available by the members of the Organization national air force contingents for combined international enforcement action. The strength and degree of readiness of these contingents and plans for their combined action should be determined by the Security Council with the assistance of the Military Staff Committee within the limits laid down in the special agreement or agreements referred to in paragraph 5 above.

7. The action required to carry out the decisions of the Security Council for the maintenance of international peace and security should be taken by all the members of the Organization in cooperation or by some of them as the Security Council may determine. This undertaking should be carried out by the members of the Organization by their own action and through action of the appropriate specialized organizations and agencies of which they are members.

8. Plans for the application of armed force should be made by the Security Council with the assistance of the Military Staff Committee referred to in paragraph 9 below.

9. There should be established a Military Staff Committee the functions of which should be to advise and assist the Security Council on all questions relating to the Security Council's military requirements for the maintenance of international peace and security, to the employment and command of forces placed at its disposal, to the regulation of armaments, and to possible disarmament. It should be responsible under the Security Council for the strategic direction of any armed forces placed at the disposal of the Security Council. The Committee should be composed of the Chiefs of Staff of the permanent members of the Security Council or their representatives. Any member of the Organization not permanently represented on the Committee should be invited by the Committee to be associated with it when the efficient discharge of the Committee's responsibilities requires that such a state should participate in its work. Questions of command of forces should be worked out subsequently.

10. The members of the Organization should join in affording mutual assistance in carrying out the measures decided upon by the Security Council.

11. Any state, whether a member of the Organi-

zation or not, which finds itself confronted with special economic problems arising from the carrying out of measures which have been decided upon by the Security Council should have the right to consult the Security Council in regard to a solution of those problems.

#### SECTION C

##### REGIONAL ARRANGEMENTS

1. Nothing in the Charter should preclude the existence of regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action, provided such arrangements or agencies and their activities are consistent with the purposes and principles of the Organization. The Security Council should encourage settlement of local disputes through such regional arrangements or by such regional agencies, either on the initiative of the states concerned or by reference from the Security Council.

2. The Security Council should, where appropriate, utilize such arrangements or agencies for enforcement action under its authority, but no enforcement action should be taken under regional arrangements or by regional agencies without the authorization of the Security Council.

3. The Security Council should at all times be kept fully informed of activities undertaken or in contemplation under regional arrangements or by regional agencies for the maintenance of international peace and security.

#### CHAPTER IX

##### ARRANGEMENTS FOR INTERNATIONAL ECONOMIC AND SOCIAL COOPERATION

#### SECTION A

##### PURPOSE AND RELATIONSHIPS

1. With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations, the Organization should facilitate solutions of international economic, social and other humanitarian problems and promote respect for human rights and fundamental freedoms. Responsibility for the discharge of this function should be vested in the General Assembly and, under the authority of the General Assembly, in an Economic and Social Council.

2. The various specialized economic, social and other organizations and agencies would have re-

sponsibilities in their respective fields as defined in their statutes. Each such organization or agency should be brought into relationship with the Organization on terms to be determined by agreement between the Economic and Social Council and the appropriate authorities of the specialized organization or agency, subject to approval by the General Assembly.

#### SECTION B

##### COMPOSITION AND VOTING

The Economic and Social Council should consist of representatives of eighteen members of the Organization. The states to be represented for this purpose should be elected by the General Assembly for terms of three years. Each such state should have one representative, who should have one vote. Decisions of the Economic and Social Council should be taken by simple majority vote of those present and voting.

#### SECTION C

##### FUNCTIONS AND POWERS OF THE ECONOMIC AND SOCIAL COUNCIL

1. The Economic and Social Council should be empowered:

- a. to carry out, within the scope of its functions, recommendations of the General Assembly;
- b. to make recommendations, on its own initiative, with respect to international economic, social and other humanitarian matters;
- c. to receive and consider reports from the economic, social and other organizations or agencies brought into relationship with the Organization, and to coordinate their activities through consultations with, and recommendations to, such organizations or agencies;
- d. to examine the administrative budgets of such specialized organizations or agencies with a view to making recommendations to the organizations or agencies concerned;
- e. to enable the Secretary-General to provide information to the Security Council;
- f. to assist the Security Council upon its request; and
- g. to perform such other functions within the general scope of its competence as may be assigned to it by the General Assembly.

#### SECTION D

##### ORGANIZATION AND PROCEDURE

1. The Economic and Social Council should set up an economic commission, a social commission,

and such other commissions as may be required. These commissions should consist of experts. There should be a permanent staff which should constitute a part of the Secretariat of the Organization.

2. The Economic and Social Council should make suitable arrangements for representatives of the specialized organizations or agencies to participate without vote in its deliberations and in those of the commissions established by it.

3. The Economic and Social Council should adopt its own rules of procedure and the method of selecting its President.

## CHAPTER X

### THE SECRETARIAT

1. There should be a Secretariat comprising a Secretary-General and such staff as may be required. The Secretary-General should be the chief administrative officer of the Organization. He should be elected by the General Assembly, on recommendation of the Security Council, for such term and under such conditions as are specified in the Charter.

2. The Secretary-General should act in that capacity in all meetings of the General Assembly, of the Security Council, and of the Economic and Social Council and should make an annual report to the General Assembly on the work of the Organization.

3. The Secretary-General should have the right to bring to the attention of the Security Council any matter which in his opinion may threaten international peace and security.

## CHAPTER XI

### AMENDMENTS

Amendments should come into force for all members of the Organization, when they have been adopted by a vote of two-thirds of the members of the General Assembly and ratified in accordance with their respective constitutional processes by the members of the Organization having permanent membership on the Security Council and by a majority of the other members of the Organization.

## CHAPTER XII

### TRANSITIONAL ARRANGEMENTS

1. Pending the coming into force of the special agreement or agreements referred to in Chapter

VIII, Section B, paragraph 5, and in accordance with the provisions of paragraph 5 of the Four-Nation Declaration, signed at Moscow, October 30, 1943, the states parties to that Declaration should consult with one another and as occasion arises with other members of the Organization with a view to such joint action on behalf of the Organization as may be necessary for the purpose of maintaining international peace and security.

2. No provision of the Charter should preclude action taken or authorized in relation to enemy

states as a result of the present war by the Governments having responsibility for such action.

#### NOTE

In addition to the question of voting procedure in the Security Council referred to in Chapter VI, several other questions are still under consideration.

WASHINGTON, D. C.

October 7, 1944

## Conclusion of the Second Phase of the Conversations

### REMARKS BY THE UNDER SECRETARY OF STATE AT THE CLOSING SESSION

[Released to the press by the State Department on the Washington Conversations October 7]

During the past week we have had opportunity to consider the document of proposals with our colleagues from China. Our thoughtful reexamination of these proposals in plenary session, in the formulation group, and in the Steering Committee has been most fruitful. We have benefited greatly from the close study which Dr. Koo and his associates have given the document and from their penetrating observations and their new perspectives. I am deeply gratified that the members of the Chinese group have found in the proposals, based as they are upon the documents submitted by all four participating groups, an acceptable body of principles for an international organization to maintain peace and security. Out of our discussions during this phase have emerged many points to which we shall all want to give consideration in preparations for a full conference.

It has been rightly said of war-makers that they destroy in days that which has taken generations to build. Our task has happily been to construct. I sincerely hope it may sometime be said that the men of peace who have sat around *this* table have reached agreement in days upon principles which strengthen the promise of security and peace for generations.

The common understanding we have achieved and the agreements we have reached in so brief a period have been possible because of the great qualities of statesmanship of my fellow chairmen,

Dr. Koo and Lord Halifax, and of the constructive spirit of cooperation which has prevailed among all who have worked with us. I wish to express my deep appreciation and that of the American group for the cordiality and the wisdom which our British and Chinese colleagues have brought to the task and for the spirit of harmony which has prevailed in our deliberations.

The peace-loving peoples of the world will soon have opportunity to judge what we have accomplished here. They will appraise our work critically, for they are deeply earnest in their search for means to rid the world of the horrors of war and insecurity under which they have suffered so cruelly and so long. I am fully confident that the proposals upon which we have agreed will meet the test of their scrutiny. Within these proposals are contained the more important principles for an organization that will make possible, in our era, effective international cooperation for peace and security.

As we conclude this final phase of our conversations at Dumbarton Oaks I am deeply conscious of the bonds of friendship and common purpose which join us with China and with the United Kingdom in our common struggle to defeat the Japanese and German aggressors. I anticipate with full confidence that the unity which the United Nations have achieved in war, and which has so richly manifested itself in our present conversations, will strengthen in peace. The four nations which have participated in these conversations will, I am sure, take early steps to complete the task we have begun at Dumbarton Oaks and thereby make possible in the not-distant fu-

ture the calling of a general conference for the establishment of the organization which we have projected here and which is so devoutly desired by the peace-loving peoples of the world.

#### REMARKS BY AMBASSADOR KOO AT THE CLOSING SESSION<sup>1</sup>

[Released to the press by the State Department on the Washington Conversations October 7]

MR. CHAIRMAN, GENTLEMEN :

I have listened with deep appreciation to the generous tribute which you, Mr. Chairman, have paid to the Chinese Delegation and the fair appraisal which he has made of the work of the second phase of the Dumbarton Oaks conversations. I wish to say how grateful we of the Chinese Delegation feel toward you, Mr. Chairman, for having acted as chairman of our meetings, over which you have presided with such marked ability and unflinching courtesy. We wish also to express our thanks for the hospitality of the Government of the United States, which left nothing to be desired in affording facilities for our meetings and comfort for the delegates. The efficient secretariat provided by the State Department has also been a very great help to us in our work.

In our deliberations, we found the achievement of the first phase of the conversations excellent groundwork. The set of proposals which has now received the endorsement of the different participating delegations furnishes a preliminary and concrete plan for the formation of an international organization to maintain peace and security. We hope that the fruits of our labor will contribute in the end to the strengthening of the foundation of this new structure to be reared.

From the outset we were animated by an earnest desire to promote the success of our joint task. We are glad and delighted to be able to say that our spirit of collaboration was fully reciprocated by our colleagues on the American and British Delegations. At all the meetings we had, whether of the plenary session, the Steering Committee, the formulation group, or of the military experts, an atmosphere of frankness and cordiality prevailed. The learning and wisdom of our American and British colleagues made a deep impression on us. All this made our deliberations and participation both pleasant and profitable.

We believe that this important series of conversations initiated by the United States Government has accomplished its purpose. The set of agreed proposals, when approved by the four governments and finally embodied in a more complete form, will constitute a most valuable instrument for consideration and adoption by all the interested nations at a general conference. It is our hope that this conference can be held in the near future so that the ardent wish of all the peace-loving peoples to see the establishment of a universal organization to safeguard international peace and security after the achievement of victory over our common enemy in the East and in the West can find its early fulfilment.

#### REMARKS BY THE EARL OF HALIFAX AT THE CLOSING SESSION<sup>2</sup>

[Released to the press by the State Department on the Washington Conversations October 7]

MR. STETTINIUS, AND DR. KOO, AND LADIES AND GENTLEMEN :

The conversations just concluded under your able chairmanship have in my own view and in that of all the members of the British Delegation made a great contribution to the eventual establishment of the International Organisation that we seek. The Chinese Delegation I have no doubt feel with us that we have owed much to the rare personal qualities that you, Sir, have brought to your duties in the Chair, and to the large-minded participation of the whole American team. We have throughout the consideration of these problems been much influenced by the views which the Chinese Delegation were good enough to place before us at an early date, and we were much encouraged by finding that the line of approach which we ourselves favoured was very similar to that advocated by our Chinese friends. On most questions of the first importance we found ourselves in close agreement with them.

Thus, the plan which we have worked out together at Dumbarton Oaks owes much to the wise and consistent thinking of the Chinese Delegation. Dr. Wellington Koo has, as always, given to us

<sup>1</sup> Chairman of the Chinese Delegation.

<sup>2</sup> The Earl of Halifax, Chairman of the British Delegation during the second phase of the conversations, is British Ambassador to the United States.

freely and candidly the results of his long experience of international affairs, and the exchanges which we have had with him and with his colleagues have been both searching and constructive. The large measure of agreement that we have reached shows that there is no barrier between the East and the West on these questions, which mean so much to the future of the world.

We have all recognised the common interest in the solution of these large issues, and, if we have not resolved all of them, that is because some of them require more prolonged and intense study than we have been able here to give. But a great deal has been accomplished, and I can say frankly that when the suggestion was first made that these conversations should take place, I had no expectation that we should have been able to go so far at this stage. That we have done so, Mr. Chairman, is of good augury for the future.

We must all be very conscious of the difficulty of the problems that confront us, but if we handle them with the same spirit of good-will and common sense which has shown itself at all our meetings in these hospitable quarters, I am certain that we can find answers for them which all peace-loving nations can accept, and thus make possible the creation of an international society in which mankind can find the opportunity to reach a higher level of civilization than has previously existed.

A great Greek philosopher said that the State came into existence in order that men might live, but that its justification was to be found only if men lived nobly. So (and I believe that in this thought I have the full agreement of all those who have taken part in these conversations), the International Organisation should be brought into existence in order that nations may be saved from destruction; but it also will only be justified if through the years all humanity is enabled by it to find the way to a better and a nobler life.

#### JOINT STATEMENT BY HEADS OF AMERICAN, BRITISH, AND CHINESE DELEGATIONS

[Released to the press by the State Department on the Washington Conversations October 7]

Conversations between the United States, the United Kingdom, and the Chinese Delegations in Washington regarding the establishment of a

World Security Organization have now reached a satisfactory conclusion. Rapid progress has been made possible because of the work accomplished at the first phase of the Dumbarton Oaks discussions and because the three delegations had earlier exchanged written memoranda on the subject. These conversations have afforded the delegations the opportunity of a full and frank exchange of views and have resulted in an agreed set of proposals for the general framework of an international organization and the machinery required to maintain peace and security which the three delegations are now reporting to their respective governments. The three governments will issue a statement on the subject in the near future.

## Final Meeting of American Delegation

[Released to the press October 7]

At the final group meeting of the members of the American Delegation on October 7, held as usual in the American Room at Dumbarton Oaks, Mr. Stettinius in his capacity as chairman of the American group made the following statement:

"This is the last time we shall meet together at Dumbarton Oaks. I wish to express to each of you my very deep personal gratitude for the contribution this team has made individually and collectively to the success of these conversations. I assure you that what has been done would not have been possible without benefit of the clarification of our thought and the balancing of our judgments hammered out in the long hours we have spent in this most-used room at Dumbarton Oaks."

Mr. Henry P. Fletcher then made, on behalf of the American Delegation, the following remarks:

"I would like at this our final meeting of the American group to express to you, Mr. Stettinius, on behalf of my colleagues our deep appreciation of your patience, tact, good humor, and efficiency in presiding over the discussions of our delegation and the deliberations of the conference.

"We leave with the happiest impression of our association with you in these conversations, which we hope may prove useful and fruitful."

# The Anglo-American Caribbean Commission

*Address by* CHARLES W. TAUSSIG<sup>1</sup>

[Released to the press October 7]

The interest of the United States in the region known geographically and politically as the Caribbean springs from several causes. Our ties with the area are many—historical, romantic, humanitarian—and of the utmost importance, those of national security. Perhaps the most impelling from a human-interest point of view are the historical ties which date back to the colonial period of our history when West Indian trade was the lifeblood of our New England economy—that rugged, vigorous, although cruel era of “missionaries on deck and slaves in the hold”, of “rum, romance, and rebellion”. But of more importance are the traditional interests of the United States in the well-being and political advancement of dependent peoples, which interests are merged in this region with vital considerations of national security. The tranquility and stability of the Caribbean countries are important elements in that security.

The European colonies in the Caribbean area belong to the Netherlands, France, and Great Britain. The majority of inhabitants of these territories and of our own United States possessions are an underprivileged people. They suffer from a lop-sided economy and are, for the most part, poor, undernourished, inadequately educated, badly provided for in matters of health and sanitation; and many are dissatisfied with their political status.

Politically, substantial changes in the direction of self-government are now taking place. Jamaica has been granted a new constitution with a lower house elected by universal suffrage and an executive council composed equally of elected and appointed members. The new set-up contains the beginnings of a ministerial system. British Guiana has increased the number of unofficial members in its legislature and will give majority control to elected members. The Secretary of State for the Colonies has accepted the report of a British Guiana franchise commission reducing the property qualifications for voting by approximately one half. Barbados also has sharply reduced the requirements for voting, and only two months ago

the Secretary of State for the Colonies announced his acceptance of a plan for universal adult suffrage for both men and women in Trinidad. Puerto Rico and the Virgin Islands of the United States have had universal suffrage for many years, and President Roosevelt has initiated a plan under which the people of Puerto Rico would have the right to elect their own governor. That plan in principle has already been approved by the United States Senate and is now awaiting action by the House.

You will remember that in December 1942 Queen Wilhelmina announced that when Holland and the Netherlands East Indies are liberated she will call a conference in which representatives of Surinam and Curaçao will discuss constitutional reconstruction. According to the director of the West Indies division of the Netherlands Ministry of Colonies such a conference “might well recommend the creation of a Commonwealth in which there would be even more regional autonomy, while the four parts would share in controlling defence, foreign policy and international economic relations”.

In Curaçao a committee appointed by the governor has just prepared a plan for increased local self-government in the various islands of the colony through councils elected by the people.

Early in 1942 the Governments of the United States and Great Britain agreed that the welfare of the area was of international concern and of particular importance to these two metropolitan countries. On March 9 of that year a joint communiqué was simultaneously issued in Washington and in London creating the Anglo-American Caribbean Commission. The communiqué said: “For the purpose of encouraging and strengthening social and economic cooperation between the United States of America and its possessions and bases in the area . . . and the United Kingdom and British colonies in the same area, and to avoid

<sup>1</sup> Delivered before the Foreign Policy Association, New York, N. Y., Oct. 7, 1944. Mr. Taussig is Chairman of the United States Section, Anglo-American Caribbean Commission.

unnecessary duplication of research in these fields, a commission, to be known as the Anglo-American Caribbean Commission, has been jointly created by the two Governments. The Commission will consist of six members, three from each country, to be appointed respectively by the President of the United States and His Majesty's Government in the United Kingdom—who will designate one member from each country as a co-chairman."

The communiqué was specific in its frame of reference as to what should concern the Commission. These were matters primarily "pertaining to labor, agriculture, housing, health, education, social welfare, finance, economics, and related subjects in the territories under the British and United States flags within this territory, and on these matters [members of the Commission] will advise their respective Governments".

It should be noted that the communiqué did not envisage purely Anglo-American activities. It stated: "The Anglo-American Caribbean Commission in its studies and in the formulation of its recommendations will necessarily bear in mind the desirability of close cooperation in social and economic matters between all regions adjacent to the Caribbean." As a matter of fact, the Netherlands territories in the West Indies, Cuba, Haiti, the Dominican Republic, and Canada have already participated in one way or another in some of the work carried on under the auspices of the Commission.

The President appended to the joint communiqué an assurance of territorial integrity in the Caribbean, stating, in reference to the term of the 99-year leases, that his "Government had no intention of requesting any modification of the Agreements already reached; that the acquisition of the bases granted to the United States would be for the term of 99 years as fixed in these Agreements". He also made the categorical statement "that the United States does not seek sovereignty over the islands or colonies on which the bases are located". This assurance has created a mutual feeling of confidence which augurs well for international collaboration in the area.

The activities of the Commission are carried on through the Commission itself and two auxiliary bodies. The Commission is the directing body and reports to the two metropolitan governments. The Caribbean Research Council, which was created by the Commission, is quasi-autonomous and acts as the technical adviser to the Commission

in the fields of agriculture, fisheries, forestry, nutrition, public health and medicine, industries, building and engineering problems, and in the field of social sciences. For the most part the personnel of the Caribbean Research Council is drawn from the Caribbean. The Netherlands territories in the West Indies are now represented on the Caribbean Research Council, and we hope to increase further the Council's membership.

In order that a democratic approach might be made to the problems of the area, a second agency, a standing body known as the West Indian Conference, has been set up. The Government of each colony and territory appoints two delegates to this Conference. An effort is made to have at least one delegate chosen, more as a representative of the people than as a representative of the Government. The first meeting of the West Indian Conference took place at Barbados, March 21 to 30, 1944. Eight British colonies were represented as well as Puerto Rico and the Virgin Islands of the United States. The Netherlands and Canada each sent an observer. This was the first international conference ever held by representatives of dependent peoples. Three fourths of the delegates were West Indians, and the races were about evenly divided. The standing Conference makes recommendations which are transmitted through the Commission to the metropolitan governments and to the territorial governments. The vitality of the Commission is enhanced with the increasing participation of West Indians in its work.

The approach of the Anglo-American Caribbean Commission to its problems was succinctly summarized by Col. Oliver Stanley, Secretary of State for the Colonies, on March 16, 1943, in Parliament. "The Commission has not started on a high plane of broad theoretical discussions; it has started on a plane of practical solutions to common problems facing both countries, and the sort of problems which will face them in that area after the war, problems of economics, transport, health and communications which go far beyond the frontiers of one particular unit and can only be solved by common effort."

The Commission is a down-to-earth body which concerns itself with and works with human beings within and outside the Caribbean, who individually and collectively create the problems and who themselves must play their part in solving them. The Commission is primarily an advisory body, but under the pressure of war emergency, when it

became necessary almost over night to organize civilian life in the Caribbean to meet the submarine menace, the Commission acquired the added function of "expediter" in regard to supplies and other activities. The Commission's work is carried on in collaboration with men and women of the area, with laborers, planters, merchants, professional men and women, and officials—in short, with the people.

In the field of agriculture, the Commission associates itself with scientists and technicians, not merely that it may become a repository for learned papers but that it may serve as an agency to provide the links between the laboratory and experiment station and the farm. In the realm of health, the Commission has assisted in providing for regional cooperation in matters of quarantine and in the control of malaria and venereal disease. The Commission is receiving valuable support from the governors of the territories and colonies of the Caribbean and from their administrations. It works in the closest cooperation with the Department of the Interior, which has jurisdiction over our own possessions, with Federal and Insular agencies in Puerto Rico and the Virgin Islands of the United States, and with the Development and Welfare Organization in the British West Indies, of which my colleague, the able British co-chairman of the Commission, Sir Frank Stockdale, is the comptroller.

We intend to relate our work to that of other international organizations. As an example, we have developed our agriculture and nutrition program within the framework of the resolutions adopted by the United Nations Conference on Food and Agriculture at Hot Springs. We believe that we were the first international body to take formal action in implementing that program.

Those of you who are acquainted with the Caribbean and are aware of the prevailing insularity of the people would be surprised and gratified to observe how, through the activities of the Commission, there has been a substantial reduction in the barriers to the free exchange of knowledge throughout the area. This spirit of cooperation has also been a feature within the Commission itself. Personal contacts have been of the happiest and all discussions have been of the most friendly nature. Throughout there has been an endeavor to develop a working example of regional collaboration in the solution of problems of common concern. The possibility has not been lost sight

of that the Anglo-American Caribbean Commission may point the way to the creation of other regional commissions for the benefit of dependent peoples in other parts of the world.

It is axiomatic that regional commissions such as the Anglo-American Caribbean Commission should neither frustrate normal development in colonial self-government nor pose as an alternative to it. Through their forward-looking policies and efforts, however, such bodies should contribute much to the preparation of dependent peoples for economic self-help and political self-sufficiency. The Commission is still in its trial-and-error period, but it has found an approach, a method, and the institutions for regional collaboration. There is evidence that the dependent peoples of the Caribbean and other areas of the world are watching the work of the Commission with interest and hope and perhaps with some skepticism. They know that no matter how perfect the machinery of international organization may become the benefits to be derived will ultimately depend upon the vision, the courage, and above all upon the integrity of the participating nations. We must not and shall not betray this trust.

## Military Action Toward Liberation of Greece

### Statement by THE PRESIDENT

[Released to the press by the White House October 6]

I am deeply moved at the news that the liberation of Greece has begun. In a truer sense, its enslavement has never been a fact. For nearly four years an indomitable Greek nation has suffered the terrifying effects of aggression on an unprecedented scale. When many men—even stout-hearted men of good-will—had almost lost hope, the Greek people challenged the invincibility of the mechanized Nazi monster, pitting against inhuman engines of war and cold-blooded, calculating strategy little more than the fierce spirit of freedom.

Four years is a long time to starve and die, to see children massacred, to watch villages burn to rubble and ashes. But it is not a long enough time to extinguish the clear flame of the Hellenic heritage which throughout centuries has taught the dignity of man. It is more than fitting, it is inevitable, that as hopeless darkness is engulfing the ideals of Nazi barbarism the clear Greek air will

once more be breathed by free men without fear of oppression, and that the Acropolis, for 25 centuries a symbol of man's accomplishment in an environment of human liberty, will again be a beacon of faith for the future.

#### Statement by THE SECRETARY OF STATE

[Released to the press October 6]

The present military action to liberate Greece and release the Greek people from the martyrdom which they have suffered for three and a half long years comes as welcome news to the American Government and people. Greek resistance has never faltered, either inside or outside the country, despite the starvation of the population, the savage destruction of Greek towns, and the wanton killing of Greek hostages by the enemy.

The entire civilized world will rejoice in the expulsion of the Nazis from this cradle of our western civilization, where the presence of these modern barbarians has seemed particularly odious.

## Presentation of Letters of Credence by the Ambassador Of Chile

[Released to the press October 5]

A translation of the remarks of the newly appointed Ambassador of Chile, Señor Don Marcial Mora Miranda, upon the occasion of the presentation of his letters of credence, October 5, 1944, follows:

MR. PRESIDENT:

At the same time that I present to you the letters of recall of my predecessor, my dear friend Don Rodolfo Michels, I have the honor to place in your hands the credentials which accredit me as Ambassador Extraordinary and Plenipotentiary of Chile before Your Excellency.

I am here to undertake this high and honorable mission at a time when there is approaching the happy ending of the war on the European Continent, a fact which is producing happiness and hope in my country, where Government and people in perfect community of purpose have embraced with fervor the cause of the democracies, have dedicated their most loyal effort to collaborate for the triumph of the United Nations, and have placed themselves decisively at the service of continental solidarity.

Chile is a democracy not only in its constitutional organization and in the free and regular functioning of its republican institutions, but also in the deep-rooted realization which public opinion has of its duties and civil rights, and in the civic spirit which animates our national being.

Liberty and independence have always directed the course of our destiny, and, during this war, the Chilean people has felt itself fully interpreted in its dearest aspirations in the foreign-policy directives of His Excellency President Don Juan Antonio Rios, as well as in the postulates of the Atlantic Charter and in the repeated declarations of Your Excellency and of the most Excellent Secretary of State, Mr. Cordell Hull, in the sense that "the principle of the sovereign equality of all peace-loving states, whatever may be their size and power, as members of a system of order under law, should constitute the foundation of any international future organization for the maintenance of peace and security".

In the hour of the realization of those postulates, an hour which is approaching rapidly, Chile will always be at the service of democracy and of American solidarity, and will be disposed to assume the responsibilities proportionate to its capacity, in the certainty that it will encounter in the high understanding and appreciation of Your Excellency and of all your Government firm support for its legitimate aspirations of a juridical nature, as well as of a moral and economic nature.

The "good neighbor" policy, with which Your Excellency has written the most beautiful and promising pages in the history of the relations between the American republics, is a policy which necessitates a great foundation of knowledge and understanding in order that it may produce its best results. To that reciprocal knowledge and comprehension I am especially charged by my Government to dedicate my best efforts and my most constant concern, because my country hopes that, applying "good neighborliness" in the brotherly sense which it is conceded in habitual usage in North American life, there will be facilitated for it the solution of the numerous and serious problems which it will have to confront in the post-war period, and that it will be respected in the position which it has achieved by its democratic tradition, its line of international policy, and by its clear and well-defined personality of a nation loving peace, progress, and liberty.

It is for me exceedingly pleasing to convey to you the best wishes of His Excellency the President of the Republic and of the people of Chile for the triumph of the United States of North America and for its growing prosperity, as well as for the health and personal well-being of Your Excellency, best wishes to which I permit myself to add, with the most sincere cordiality and esteem, my own personal best wishes.

The President's reply to the remarks of Señor Don Marcial Mora Miranda follows:

MR. AMBASSADOR:

I am deeply pleased to receive from Your Excellency the letters accrediting you as Ambassador Extraordinary and Plenipotentiary of Chile, and to extend to you a most cordial welcome to the United States.

I accept the letters concluding the mission of Don Rodolfo Michels, your distinguished predecessor. Ambassador Michels made important contributions to the furtherance of the friendly relations which so happily exist between your country and mine.

I note with sincere pleasure Your Excellency's reference to the fervent espousal by the Government and people of Chile of the cause of the United Nations and of the principle of continental solidarity. The collaboration of the Government and people of Chile will continue to be of great value in hastening the inevitable final triumph of the forces of democracy in the great world struggle; and Chile has been and is in a position, as an important bulwark of the solidarity of the American hemisphere, to make invaluable contributions to this great inter-American cause she has espoused.

I welcome Your Excellency as the distinguished representative of a great nation which has carried to high levels the principles of democracy, human dignity, and freedom. Chile is an outstanding example to all the world of the strength and power of these great ideals.

I also greet Your Excellency as a personal defender of the principles for which the United Nations are fighting. I know well that by word and deed you have shown yourself to be a valiant champion of the cause of democracy.

The principle of the sovereign equality of peace-loving nations, irrespective of size and power,

should indeed constitute the foundation of any future international organization for the maintenance of peace and security. I am delighted to hear from Your Excellency that, now that the hour is approaching for the translation into reality of this ideal, Chile is disposed to assume the responsibilities proportionate to her capacity. I am certain that in the future, as the nations of the world shoulder the task of maintaining the peace, Chile will continue to find in the United States a sincere and steadfast friend.

The "good neighbor" policy, as Your Excellency has so clearly indicated, should most certainly not be unilateral; it depends for its strength and effectiveness upon the participation and joint efforts of the American nations. I am sure that your efforts toward developing and strengthening mutual knowledge and understanding between Chile and the United States will be a valuable contribution to inter-American good-will and happiness. You will find, on the part of the Government and people of this country, a great respect for the democratic and liberty-loving country which you represent, and a sincere desire to cooperate and collaborate in the solution of the problems of the present and of the future.

I am deeply appreciative of the good wishes of His Excellency the President of Chile and of the Chilean people for the people of the United States, and of the personal greetings which His Excellency was so kind as to send me. Please convey to President Rios the expression of my deepest gratitude, and send to him my sincere wishes for his continued good health and happiness and for the welfare and prosperity of the people of Chile. I reciprocate with pleasure the personal sentiments which you so kindly expressed.

## THE FOREIGN SERVICE

### Consular Offices

The Consulate at Rome, Italy, was established on September 26, 1944.

The Consulate at Coatzacoalcos, Mexico, was closed on September 30, 1944.

The Consulate at Marseille, France, was reestablished on October 1, 1944.

## Present Problems in Italy

Statement by THE PRESIDENT

[Released to the press by the White House October 4]

In accordance with the policies with respect to Italy which were outlined jointly by the Prime Minister and me in a statement issued to the press on September twenty-sixth,<sup>1</sup> measures are now being taken to provide Italy with supplies necessary to prevent civilian hunger, sickness, and fear during the forthcoming winter. Steps are also being taken to restore the damaged transportation and electrical generating facilities of Italy to the extent necessary to enable the Italian people to throw their full resources into the fight against Germany and Japan.

A delegation of supply officers has been called from Italy to Washington to review the needs and requirements of the Italian civilian population. In addition to the substantial quantities of food and clothing which are now being shipped, and have for some time been shipped into Italy, 150,000 tons of wheat and flour are now scheduled for shipment. Steps are being taken to increase the bread ration in those areas in Italy where food supplies are below the standard necessary to maintain full health and efficiency. The distribution of food and essential supplies within the country has been seriously impeded by the damage done to the transportation system and the wholesale commandeering of trucks by the enemy. To meet this emergency need it is planned to send 1,700 additional trucks to Italy.

In addition, preparations are under way to supply substantial quantities of generating equipment including temporary power facilities to furnish electricity to essential industries and public utilities in central Italy which have been brought to a standstill by the almost complete destruction by the Germans of power plants.

The aid which the Allies have already given to Italy has been substantial. Since the invasion of Sicily to the end of this year, 2,300,000 long tons of civilian supplies will have been shipped to Italy. Of this total, 1,107,000 tons were food and the balance consisted of coal, fertilizer, seeds, medical and sanitary supplies, and clothing. As an integral part of military operations the Army has done a great deal to repair roads and bridges and railroads and to repair water and power systems and motor transport.

Through these and other measures of assistance which are now in preparation, the Italian people will be enabled to increase their already significant contribution toward the defeat of the enemy. By doing these things, this country is serving the military aims and objectives of the United Nations, which require the greatest possible contribution from the manpower and the resources of every nation engaged in the final overthrow of Germany and Japan.

## Plans for Economic Reports From Liberated Areas

[Released to the press by the State Department and the Department of Commerce October 5]

Under instructions worked out by the Department of State in cooperation with the Departments of Commerce and Agriculture and the Foreign Economic Administration together with other interested agencies, diplomatic and consular representatives assigned to areas liberated from Axis control will expedite reports on economic conditions and trends within such areas for the guidance of both the Government and business.

The instructions are detailed and specific. The point is strongly emphasized that restrictions on the flow of information from these areas prior to their liberation make the need for organized reporting acute.

In general the instructions call for: first, reports concerning the immediate supply requirements of liberated areas and estimates of economic conditions, on which considerable initial work has been done, chiefly by the Foreign Economic Administration in conjunction with the military authorities and with the assistance of the Foreign Service; second, interpretative reports covering all aspects of economic and social conditions within liberated areas as an essential guide to American foreign policy; and third, analyses of economic conditions in liberated areas as an essential guide to American interests concerned in the resumption of commercial trade and investment.

In some areas and with respect to some commodities an immediate and full return to private trade will not be possible because of disrupted economic conditions. The economic and trade reporting from these territories will, therefore, be particularly helpful during this interim period.

In the instructions sent out officers of the Foreign Service are being reminded that American

<sup>1</sup> BULLETIN of Oct. 1, 1944, p. 338.

trade interests desire information regarding the condition of their business contacts and interests in liberated areas.

In the case of branch factories or affiliated companies, American businessmen wish to know the condition of these properties, how they were employed during the war, the state of inventories and organization, and the factors involved in considering a resumption of business.

Where American businessmen before the war operated through agency or distributor arrangements, they wish to know the status of former marketing or purchasing connections, their financial condition, and the possibilities of making a new start.

Reports on these subjects require an appraisal of the new market situation. While the larger individual companies will probably be in position to make their own surveys, most medium-sized and small business concerns will turn to the Government for assistance.

To meet this need for information, summary reports are requested regarding the status of American branch plants and capital investments in liberated areas as well as reports on the condition and facilities of principal importers and distributors formerly handling or in position to distribute American products.

Foreign Service officers are being advised that particular attention should be given to the acquisition by the Axis of former American interests in liberated areas as well as any transfer of ownership or control within liberated areas of trading companies, distributor or agency concerns, and similar commercial organizations.

They are likewise being advised that various legal questions regarding the possibility of recovering damages, realizing upon old debts, the validity of contracts, patent rights, and the like are anticipated and that information generally applicable to such problems in liberated areas should be reported.

Meanwhile interested American businessmen are urged to channel specific inquiries through the Bureau of Foreign and Domestic Commerce, Department of Commerce, in order that diplomatic and consular representatives may be free to devote their time to the preparation of these reports. If swamped with direct individual requests for infor-

mation the preparation of reports will necessarily be delayed.

The Bureau maintains close liaison with the Department of State, and the desire of both is to make information available as quickly as possible to interested businessmen. When an inquiry is received by the Bureau and the desired information is not immediately available, the facilities of the Government will be utilized to obtain it at the earliest possible date.

## Request to Neutral Governments Concerning Enemy Loot

[Released to the press October 4]

On October 2 the Government of the United States requested the neutral governments to institute measures to prevent enemy governments and leaders and their collaborators from retaining their loot under neutral protection and from finding safe haven for their wealth in neutral territories. These representations were made in keeping with resolution VI of the Bretton Woods Conference and were directed at objectives similar to those of the United Nations Declaration of January 5, 1943 with respect to looted property and the Declaration of February 22, 1944 concerning looted gold. Similar representations were made by the British Government.

The problem of uncovering and disentangling enemy and looted property is one of international character, which can be most effectively handled in cooperation with the neutral countries. The enemy has been taking property of occupied countries and their nationals by open looting and plundering, by forcing transfers under duress, and by subtle and complex devices. The enemy has often operated through the agencies of puppet governments to give the cloak of legality to his robbery. The enemy has also been attempting to conceal his assets by passing the chain of ownership and control through occupied and neutral countries. In anticipation of impending defeat the enemy is increasing these activities in order to salvage his assets and to perpetuate his economic influence abroad and his power and ability

to plan future aggrandizement and world domination.

This Government in presenting its note to the neutrals indicated that it considered cooperation in this matter to be of "primary importance to the welfare of occupied nations and to the protection of the lives and property of their nationals and to the peace and security of the post-war world".

The text of resolution VI, adopted by the delegates assembled at the United Nations Monetary and Financial Conference at Bretton Woods, New Hampshire, follows.

#### RESOLUTION VI

Whereas, in anticipation of their impending defeat, enemy leaders, enemy nationals and their collaborators are transferring assets to and through neutral countries in order to conceal them and to perpetuate their influence, power, and ability to plan future aggrandizement and world domination, thus jeopardizing the efforts of the United Nations to establish and permanently maintain peaceful international relations;

Whereas, enemy countries and their nationals have taken the property of occupied countries and their nationals by open looting and plunder, by forcing transfers under duress, as well as by subtle and complex devices, often operated through the agency of their puppet governments, to give the cloak of legality to their robbery and to secure ownership and control of enterprises in the post-war period;

Whereas, enemy countries and their nationals have also, through sales and other methods of transfer, run the chain of their ownership and control through occupied and neutral countries, thus making the problem of disclosure and disentanglement one of international character;

Whereas, the United Nations have declared their intention to do their utmost to defeat the methods of dispossession practiced by the enemy, have reserved their right to declare invalid any transfers of property belonging to persons within occupied territory, and have taken measures to protect and safeguard property, within their respective jurisdictions, owned by occupied countries and their nationals, as well as to prevent the disposal of looted property in United Nations markets; therefore

The United Nations Monetary and Financial Conference

1. Takes note of and fully supports steps taken by the United Nations for the purpose of:

(a) uncovering, segregating, controlling, and making appropriate disposition of enemy assets;

(b) preventing the liquidation of property looted by the enemy, locating and tracing ownership and control of such looted property, and taking appropriate measures with a view to restoration to its lawful owners;

2. RECOMMENDS: That all Governments of countries represented at this Conference take action consistent with their relations with the countries at war to call upon the Governments of neutral countries

(a) to take immediate measures to prevent any disposition or transfer within territories subject to their jurisdiction of any

(1) assets belonging to the Government or any individuals or institutions within those United Nations occupied by the enemy; and

(2) looted gold, currency, art objects, securities, other evidences of ownership in financial or business enterprises, and of other assets looted by the enemy;

as well as to uncover, segregate and hold at the disposition of the post-liberation authorities in the appropriate country any such assets within territory subject to their jurisdiction;

(b) to take immediate measures to prevent the concealment by fraudulent means or otherwise within countries subject to their jurisdiction of any

(1) assets belonging to, or alleged to belong to, the Government of and individuals or institutions within enemy countries;

(2) assets belonging to, or alleged to belong to, enemy leaders, their associates and collaborators;

and to facilitate their ultimate delivery to the post-armistice authorities.

### LEGISLATION

An Act To amend the Nationality Act of 1940 to permit the Commissioner to furnish copies of any part of the records or information therefrom to agencies or officials of a State without charge. Approved September 27, 1944. [H. R. 1680.] Public Law 428, 78th Cong. 1 p.

An Act To amend the Nationality Act of 1940 to preserve the nationality of citizens residing abroad. Approved September 27, 1944. [H. R. 4271.] Public Law 432, 78th Cong. 1 p.

## Death of Wendell Willkie

[Released to the press October 8]

The Secretary of State has sent the following message to Mrs. Wendell Willkie:

OCTOBER 8, 1944.

It is most shocking to me to learn of the untimely passing of your distinguished husband, Wendell Willkie. He was a man of the finest character who staunchly and sincerely held to his principles. Not only during the presidential campaign of 1940 but in the years since then his able and forthright presentation of his views on public questions was a great stimulus to the forming of public opinion. His death brings a definite loss to the Nation. Mrs. Hull and I send our sincerest sympathy in your bereavement to you and the members of the family.

## Compensation for Petroleum Properties Expropriated in Mexico

[Released to the press October 2]

The Chargé of Mexico has presented to the Secretary of State his Government's check for \$4,085,327.45 in payment of the instalment due at this time under the agreement effected through an exchange of notes on September 29, 1943<sup>1</sup> establishing the manner and conditions of payment of compensation to this Government for the benefit of certain American nationals who sustained losses as a consequence of the expropriation of petroleum properties in Mexico in March 1938. The Secretary of State requested the Chargé to convey to his Government an expression of this Government's appreciation.

With the present payment of \$4,085,327.45 the balance remaining amounts to \$12,255,982.35, to be liquidated over a period of three years by the payment of \$4,085,327.45 on September 30 of each year. Upon payment of the remaining instalments the total payments will amount to \$29,137,700.84.

<sup>1</sup> See BULLETIN of Oct. 2, 1943, p. 230.

## Visit of Personal Representative Of the President of Ecuador

[Released to the press October 5]

During the last several days the United States Government has had the honor to be host to Señor Victor Emilio Estrada, who is visiting this country as personal representative of His Excellency Señor Velasco Ibarra, President of Ecuador. Señor Estrada is one of the leading bankers and businessmen of Ecuador and was recently elected mayor of the city of Guayaquil.

Señor Estrada has presented an outline for long-range economic and social development in Ecuador, and numerous interesting studies and discussions have been initiated. Further detailed studies will be carried on in Ecuador as well as in this country with a view to arriving at mutually advantageous plans for future cooperation between the two countries.

Señor Estrada's visit and the discussions initiated at this time with various departments and agencies of this Government are a further manifestation of the mutual desire of Ecuador and the United States to face the problems of the future in the same spirit embodied in their collaboration in the cause of the democracies.

## Death of Alfred E. Smith

[Released to the press October 4]

Secretary Hull sent the following message to Mrs. John A. Warner upon the death of her father, the Honorable Alfred E. Smith:

OCTOBER 4, 1944.

I am greatly distressed to learn of the passing of your distinguished father, who was my friend for many years. He was blessed with unusual gifts of leadership and he rendered outstanding service to his State and to his country. His unswerving honesty, his noble character, his high integrity, and his devotion to the welfare of all the people earned for him a unique place in the hearts and minds of his countrymen. Mrs. Hull joins me in extending heartfelt sympathy to you and to the members of the family in your irreparable loss.

# Inter-American Institute of Agricultural Sciences

By EDCAR S. FURNISS, JR.<sup>1</sup>

On November 30, 1944, three months after the deposit of the fifth ratification with the Pan American Union, the convention establishing the Inter-American Institute of Agricultural Sciences will enter into effect. The Agricultural Institute was conceived to fulfil the need for cooperative study of agricultural problems common to the several American republics, the solution to which would result in a general improvement in the economies of those countries and in an eventual raising of the standard of living of their peoples by the adoption of more desirable agricultural methods.

Prior to the formation of plans for the Agricultural Institute such programs as existed for agricultural cooperation with the other American republics were carried out on an *ad hoc* basis by the United States Department of Agriculture and by such committees as the Interdepartmental Committee on Cooperation With the American Republics,<sup>2</sup> the Committee on Tropical Agriculture, and the President's Advisory Committee on Inter-American Cooperation in Agricultural Education, the latter being under the auspices of the Department of State. When Vice President Wallace was Secretary of Agriculture he extended and intensified the programs; he also realized the need for coordinating the work that was being done and for locating it in an inter-American institution from which all the American republics could derive benefits. In addition the Interdepartmental Committee approved in December 1939 a recommendation for such an institution.

Further impetus to the project was given at the Eighth American Scientific Congress, which met in June 1940.<sup>3</sup> Mr. Wallace delivered an address to the Congress favoring an agricultural institute. The Congress at that session also adopted a resolution advocating an Institute of Tropical Agriculture for the dual purpose of establishing means for research and of training technical personnel. The Pan American Union was asked to appoint a committee to make a report on recommendations regarding the establishment of the institution. An Inter-American Commission of Tropical Agricul-

*An example of inter-American cooperation designed to encourage and advance the development of agricultural sciences in and to aid the economies, largely agricultural, of all the American republics.*

ture was accordingly formed by the Pan American Union.

The report of the Commission was submitted to and approved by the Governing Board of the Pan American Union in October 1942. This Commission had requested technical assistance in the selection of a site for the Institute, and Mr. Ralph H. Allee, Chief of the Division of Latin American Agriculture of the United States Department of Agriculture, had been named chairman of a commission appointed for this purpose. From sites offered by 12 countries Turrialba, Costa Rica, was ultimately selected. In addition to recommending that site the Commission of the Pan American Union advocated that an Inter-American Institute of Agricultural Sciences be temporarily incorporated under a charter of the District of Columbia. The directors of the institute were to be the members of the Governing Board of the Pan American Union. It was understood and was so stated by the commission that the Institute was to be founded on an inter-American convention to be negotiated as soon as possible.

On December 15, 1943 the Governing Board of the Pan American Union approved a convention establishing the Inter-American Institute of Agricultural Sciences. Article I of the convention sets the location of the Institute. Incorporated in Washington under date of June 18, 1942, its executive headquarters were to be in that city, while the location of the field headquarters was to be at Turrialba. Provisions were also made for the establishment of regional offices in other American republics. The purpose of the Institute is described in article II as follows: "to encourage and advance the development of agricultural sciences in the American republics through research, teaching, and extension activities in the theory and practice of agriculture and related arts

<sup>1</sup> Mr. Furniss is a Divisional Assistant in the Division of American Republics Analysis and Liaison, Office of American Republic Affairs, Department of State.

<sup>2</sup> BULLETIN of Sept. 24, 1914, p. 319.

<sup>3</sup> BULLETIN of Jan. 20, 1940, p. 83; May 11, 1940, p. 494; May 18, 1940, p. 537.

and sciences". The fulfilment of this purpose might entail the development, financing, and operation of "similar establishments in one or more of the American republics" and the giving of "assistance to the establishment and maintenance of organizations having similar purposes in the said republics".

Other articles of the convention set up the control of the Institute. As envisaged by the earlier Commission, the convention provides for a Board of Directors, composed of representatives of the 21 American republics on the Governing Board of the Pan American Union, and empowered to elect, to remove, and to provide compensation for a director and a secretary of the Institute, in which officers is vested the actual administration of the affairs of the Institute. In addition an administrative committee and a technical advisory council may be formed, the latter composed of an agricultural expert named by each of the contracting states to the convention.

Fiscal management of the Agricultural Institute is vested in the Pan American Union, which is to receive and disburse Institute funds. These funds are to come from contributions, legacies, and donations but, more regularly, from annual quotas contributed by the contracting states according to their relative population as given by Pan American Union statistics. No quota, however, is to exceed the rate of one United States dollar per thousand population. The convention's terms provide that it is to enter into effect three months after the deposit of the fifth ratification with the Pan American Union, with additional ratifications to become effective one month after their deposit.

On January 15, 1944 the convention establishing the Inter-American Institute of Agricultural Sciences was opened for signature.<sup>4</sup> On that date the United States, Costa Rica, Nicaragua, and Panama signed the convention, and subsequent signatures have brought the total to 13. These additions include Cuba and Ecuador, who signed on January 20; the Dominican Republic and Honduras, on January 28; El Salvador, February 18; Guatemala, March 16; Uruguay, April 18; Chile, May 13; and Bolivia, July 12. Of the 13 states signatory to the convention, five have now ratified. These are Costa Rica, El Salvador, Guatemala, Nicaragua, and the United States. The ratification

of the United States was effected on June 29, and that of Nicaragua, the fifth in chronological order, was deposited with the Pan American Union on August 30.

Although the site of the Institute at Turrialba is in the tropical zone and adherents to the convention to date have, aside from the United States, been states near the location of the Institute, it should be emphasized that the objectives of the Institute are not confined to the solution of agricultural problems confronting only the nations of Central America. Although they have not yet ratified, the signatures of Chile, Uruguay, and Bolivia attest to the value which those states, located, like the United States, in a temperate zone, expect to realize through the Institute's activities. An increase in the knowledge of scientific agricultural techniques and the training of experts to apply those techniques will aid the economies, largely agricultural, of all the American republics. Thus the potential value of the Institute is, like the convention by which it was established, truly inter-American in character.

Before the Institute Convention goes into effect quota contributions by the various American republics cannot be relied upon for the main support of the Institute, which has as a consequence been forced to rely on other financial contributions. Of these the chief assistance has come from the Office of the Coordinator of Inter-American Affairs, whose head, Nelson A. Rockefeller, was one of the first to realize the importance of the establishment of such an institute. In 1942 \$500,000 was allocated to the Institute by the Office of the Coordinator. The United States Department of Agriculture was to receive \$35,000 of that amount for the purpose of preliminary study and planning preparatory to the establishment of the Institute. The remainder, \$465,000, was turned over in 1942 to the Pan American Union, fiscal agent for the Institute, to be expended on the field headquarters at Turrialba. The actual construction program was assigned \$365,000, and the remaining \$100,000 was allocated for operating expenses. Subsequent grants, amounting to \$160,000, brought the sum to be used for operating expenses to a total of \$260,000. The Office of the Coordinator has recently allocated \$300,000 to complete the present construction program at Turrialba.

The Government of Costa Rica has made a material contribution to the Agricultural Institute in the form of its site at Turrialba. A coffee planta-

<sup>4</sup> BULLETIN of Jan. 15, 1944, p. 90.

tion at Turrialba, valued at approximately \$250,000, was turned over to the Institute. The donation by the Costa Rican Government of more land for crops, buildings, and experimental and other activities brought the total acreage to 2,500 and increased the value to about half a million dollars. Research in rubber cultivation and diseases affecting rubber trees was made possible in 1943 by the donation on the part of the Goodyear Tire & Rubber Company of its rubber plantation, located in Panama, formerly operated by the Rubber Development Corporation.

Directorship of the Agricultural Institute was vested in Earl N. Bressman with his appointment in 1942 by the Board of Directors. Dr. Bressman had formerly been the Assistant Director of the Office of Foreign Agricultural Relations and Scientific Adviser to the Secretary of Agriculture. Subsequently he was Director of the Agricultural Division of the Office of the Coordinator. On the recommendation of Dr. Bressman José L. Colom, Chief of the Division of Agricultural Cooperation of the Pan American Union, was named Secretary of the Institute.

Active work in utilizing the funds provided by the Coordinator's Office was begun with the official inauguration of the field headquarters on October 7, 1942. In March 1943, when he was on a trip through Central and South America, Vice President Wallace laid the actual cornerstone of the Institute. The construction of housing facilities for workers, students, and faculty was begun. Intensive labor was also required on the plantations and for starting experimental crops which composed such a necessary part of the Institute's activities.

It had been anticipated that the field headquarters would be completed and that the first students and faculty would arrive by the middle of 1944, but it became impossible to complete the program with the amount of money at first available for that purpose. As a result it was necessary to halt construction temporarily in May 1944 when the first grant from the Coordinator's Office was exhausted. To complete the program which had been contemplated additional grants totaling \$460,000 were subsequently added.

According to Dr. Bressman, Director of the Institute, it is envisaged that the Inter-American

Institute of Agricultural Sciences will eventually comprise five divisions. Courses, seminars, and research opportunities will be offered in the fields of animal industry, agricultural engineering, entomology, plant industry, and soils. Not more than 10 students will be assigned to any of the divisions, and the Institute will, at the outset, operate with 25 students. To enter the Institute a student will have had to receive a bachelor's degree or its equivalent in agriculture or in a related science, and he must have a thorough understanding of the basic elements of chemistry, physics, botany, and zoology. He will stay at the Institute not less than one year and not more than three, the contemplated average term being two years. While he is at the Institute the student will devote part of his time to organized course work, but the greater part of it will be spent in research problems concerned with the particular division of agricultural science in which he has chosen to specialize. Satisfactory completion of the Institute schedule will involve the writing of a thesis based on the results obtained from a comprehensive research undertaking. Degrees of master of science will be awarded students who complete satisfactorily the work of the Institute.

The site at Turrialba is suitable for research studies in the cultivation of coffee, cacao, sugarcane, corn, rice, fruit trees, and vegetable crops. Rubber, abacá, and cinchona may also be grown, as well as barley, wheat, and potatoes. Experiments concerned with all these products are not under way at present, but full operation of the Institute will eventually involve their cultivation. The construction program is not yet completed; however, work has already been done on experimental crops of coffee, sugarcane, and silage and on the improvement of the Panama rubber plantation.

Within the five divisions the Institute will operate as a research center, as an institution of education, and ultimately, it is hoped, as an extension service. Research will be conducted in diseases affecting the agricultural crops and livestock of the other American republics. The educational aim of the Institute is to train students from all American countries to assist in the fuller utilization of the agricultural economy in those coun-

tries. Such training is designed not to compete with, but rather to supplement, facilities that may exist or may later be established on a national basis. Finally, the extension services of the Institute will furnish information, supply samples of experimental crops, and give advice on cultivation of crops and care of livestock. Thus it may be seen that the purpose of the Institute is concretely inter-American in nature, designed to raise the agricultural standard of the American republics and in so doing to ameliorate their economy, in many instances based primarily on agriculture.

It is appropriate to examine in some detail the advantages accruing to the United States by reason of its support of the Inter-American Institute of Agricultural Sciences. These advantages, of both a direct and an indirect nature, are substantial. In the first place the United States will gain by a rise of the standard of living in the other American republics, which is a basic aim of the Institute.

A rise in living standards may be expected to increase both in amount and in diversity the demand by the other American republics for the products of the United States. It has already been pointed out that the Institute, by the functions of research, education, and extension which it will perform, will increase the spread of scientific knowledge relating to agriculture.

In the second place, an advantage to the United States from the operation of the Agricultural Institute will be the diversification of the economies of the other American republics. These two advantages are related in the sense that a well-planned, scientific diversification may logically be expected not only to raise the standard of living in the other countries but also to strengthen thereby American agriculture. When the nations of Latin America have been forced to rely almost exclusively on American knowledge, American research, and American education they have to a certain extent been forced to import techniques applied to agricultural products produced in the United States. The economies of the other republics have thus tended to become competitive with our own instead of complementary. Because of its location in the tropical zone, one of the aims of the Institute will be to consider problems relating to tropical agricultural products. As a result

of such activity the economies of the other American states may become diversified and will supplement our own.

In the third place, the United States will benefit from the research in agricultural diseases conducted by the Institute. Many of the diseases, such as Trypanosomiasis, which has two types, one affecting horses and the other cattle, would be a menace to the United States should their spread result in their importation into this country. Checking such diseases as a result of added knowledge based upon scientific research would spare the United States the agricultural losses which the diseases have caused in many of the nations to the south.

Finally, as a participant in the Institute the United States may be expected to derive another concrete advantage—an opportunity through an inter-American convention to demonstrate its interest in the other nations of the hemisphere and to undertake with their cooperation and with their equal participation to solve problems common to all.

## PUBLICATIONS

### DEPARTMENT OF STATE

Military Aviation Mission: Agreement between the United States of America and Venezuela—Signed at Washington January 13, 1944; effective January 13, 1944. Executive Agreement Series 398. Publication 2169. 14 pp. 10¢.

Upper Columbia River Basin: Agreement between the United States of America and Canada—Effected by exchange of notes signed at Ottawa February 25 and March 3, 1944. Executive Agreement Series 399. Publication 2171. 5 pp. 5¢.

Radio Broadcasting Stations: Agreement between the United States of America and Canada—Effected by exchanges of notes signed at Ottawa November 5 and 25, 1943 and January 17, 1944. Executive Agreement Series 400. Publication 2172. 7 pp. 5¢.

Naval Aviation Mission: Agreement between the United States of America and Peru renewing and amending the agreement of July 31, 1940—Effected by exchanges of notes signed at Washington January 31, February 18, April 6, April 29, and May 2, 1944; effective July 31, 1944. Executive Agreement Series 402. Publication 2173. 6 pp. 5¢.

# The Costa Rica-Panama Boundary Demarcation

By SOPHIA SAUCERMAN<sup>1</sup>

The following statement by the Secretary of State on a meeting between the Presidents of Costa Rica and Panama was released to the press on September 18, 1944:<sup>2</sup>

"The Presidents of Costa Rica and Panama are meeting today at a point near the border of their two countries to celebrate an auspicious event—the final demarcation of their common boundary. As a tribute to the collaboration of the Chilean adviser to the Boundary Commissions, they have selected today, the Chilean national holiday, to celebrate the conclusion of this task.

"In arriving by mutual agreement at a definitive settlement of this old and difficult problem, the Governments of Costa Rica and Panama have not only shown great statesmanship but have also demonstrated the effectiveness of the inter-American principle of the settlement of disputes by peaceful means and have provided another example of the practical value of hemisphere solidarity and cooperation."

Controversies involving this boundary question arose from time to time from about the first quarter of the nineteenth century and comprised, in the earlier period, the claims of governments of states to which, as concerns the boundary, the Republics of Costa Rica and Panama succeeded. Many attempts were made to settle the problem, which was greatly confused by lack of adequate knowledge of the geography of the region.

By the terms of a convention of November 4, 1896 the boundary dispute, then between Costa Rica and Colombia, was submitted to the arbitration of the President of France. The award, given by President Loubet on September 11, 1900, was accepted both by Costa Rica and by Colombia so far as the boundary from the central Cordilleras

to the Pacific was concerned; but Costa Rica protested against the boundary as laid down by President Loubet from the Cordilleras to the Atlantic.

Subsequently the unsolved problem was referred to Chief Justice White of the United States, as arbitrator, under a convention of March 17, 1910 between Costa Rica and Panama. The award of the Chief Justice, given on September 12, 1914, proved unacceptable to Panama.<sup>3</sup>

The entire boundary from the Atlantic to the Pacific, as now determined, was defined in the treaty concluded by the Republic of Costa Rica and the Republic of Panama at San José on May 1, 1941.

The line was described in article I of that treaty, in free translation from the Spanish text, in the following terms:

"Leaving the actual mouth of the Río Sixaola, in the Caribbean Sea, it follows the thalweg of said river up-stream to its confluence with the Río Yorkín; thence it follows the thalweg of the Río Yorkín up-stream to the parallel of latitude 9°30' N. of the Equator; thence by rhumb line S. 76°37' W. to the meridian of longitude 82°56'10" W. of Greenwich; thence southward along this meridian to the Cordillera which separates the waters of the Atlantic from those of the Pacific; thence it follows the above-mentioned Cordillera to Cerro Pando, connecting point of the said Cordillera with the spur (*contrafuerte*) which constitutes the parting of waters (*el divorcio de aguas*) between the affluents of the Golfo Dulce and the affluents of the Bahía Charco Azul; thence it follows this spur to end in Punta Burica on the Pacific."

The boundary so described departs from the line of the White award in allocating to each country a small parcel of territory just south of latitude 9°30' N. The treaty provided for the naming of mixed boundary commissions by the Governments of the two Republics and for the designation by the President of the Republic of Chile of an adviser to the boundary commissions.

<sup>1</sup> Mrs. Saucerman is Special Assistant to the Chief, Division of Geography and Cartography, Office of Departmental Administration, Department of State.

<sup>2</sup> BULLETIN of Sept. 24, 1944, p. 315.

<sup>3</sup> Hackworth, *Digest of International Law*, I, p. 729; VI, pp. 28 and 83.

Under date of May 31, 1941, President Roosevelt sent identic telegrams concerning the boundary treaty to the Presidents of Costa Rica and Panama:

"The announcement of the boundary settlement between Panama and Costa Rica [between Costa Rica and Panama] has brought deep gratification to the people of the United States and to their Government.

"This agreement now ratified by the legislative bodies of the two neighboring republics is a further and eloquent manifestation to the world at large that the democracies of the New World are able and willing to settle the differences which may arise between them by pacific methods and in that spirit of justice and mutual understanding which characterizes the independent nations of the Americas.

"I offer Your Excellency the hearty congratulations of the Government and people of the United States and through you to the people of Panama [of Costa Rica] on this significant and auspicious event.

"Please accept [etc.] FRANKLIN D. ROOSEVELT"

The demarcation having just been completed, signatures were affixed on September 15, 1944 to the "acta final" and the general map, in accordance with the stipulations of the agreement for the execution of the boundary treaty ratified by the two countries in May 1941. The signing and exchange of formal notes ratifying the boundary convention took place with appropriate ceremony on September 18 at a spot where the Inter-American Highway crosses the international boundary between Costa Rica and Panama.

## Inquiries on American Citizens in Paris

[Released to the press October 5]

The Department of State has announced that the American Mission at Paris is now prepared to receive inquiries regarding the whereabouts and welfare of American citizens who are believed to be in the Paris area. Such inquiries should be addressed to the Department. In view of existing

conditions some delay in the response to these inquiries must be anticipated.

For the time being inquiries regarding persons who are not American citizens or who are not residing in the Paris area cannot be accepted.

## Visit of Brazilian Official Of the Ministry of Education

Dr. Augusto Meyer, director of the National Book Institute of the Brazilian Ministry of Education, has arrived in Washington on the invitation of the Department of State. The purpose of Dr. Meyer's visit is to investigate technical library services in this country. The National Library of Brazil at Rio de Janeiro, which has valuable colonial collections, has requested that Dr. Meyer give special attention to the conservation of documents and books.

Much of Dr. Meyer's time will be devoted to observation in The National Archives and the Library of Congress. He will visit municipal libraries in New York, Boston, and Philadelphia, and libraries of various colleges and universities. He is accompanied by Mrs. Meyer, who is a writer of distinction.

## Visit of Paraguayan Judge

The Honorable Alberto Nogués, judge of the Civil Court of Asunción, Paraguay, is in this country as a guest of the Department of State. While in the United States Judge Nogués will make observations of juvenile courts and the organization of lower courts in general, and he will study the municipal and police courts, the methods of cooperation between the police and the judiciary, and the penitentiary system.

Judge Nogués will make a comparative study of the four-year undergraduate system of colleges in the United States as contrasted with the specialized system of the National University of Paraguay at Asunción. Included on his itinerary will be Amherst and Williams Colleges.

## THE DEPARTMENT

### Division of Administrative Services<sup>1</sup>

*Purpose.* The purpose of this order is to abolish the Division of Administrative Management, to create a Division of Administrative Services in the Office of Departmental Administration, and to define the functions of the new Division.

1 *Abolishment of the Division of Administrative Management.* The Division of Administrative Management in the Office of Departmental Administration, as provided for in Departmental Order 1218 of January 15, 1944, is hereby abolished.

2 *Creation of a Division of Administrative Services.* There is hereby created in the Office of Departmental Administration a Division of Administrative Services which shall have full responsibility in all matters relating to the following functions:

(a) **Through an Operation-management Branch:**

- (1) Continuing study of the Division in order to provide adequate administrative services for the Department;
- (2) Development of procedures and installations of systems in the Division;
- (3) Investigation of irregularities and complaints concerning administrative services;
- (4) Preparation of administrative instructions covering administrative services for the Department;
- (5) In cooperation with the Department's management-planning staff, determination of space needs and development of plans for the maximum utilization thereof;
- (6) Procurement, through negotiations with the Public Buildings Administration, of space required to meet the Department's needs and allocation of space to the several offices and divisions;
- (7) Building security and protection, including direction over receptionists, as well as control over the issuance of passes;
- (8) In cooperation with other branches of the Division to cooperate with the Division of International Conferences in connection with the latter's responsibilities for the de-

velopment of plans to provide adequate administrative services for international conferences and related activities.

(b) **Through a Facilities Branch:**

- (1) Administration and operation of the Diplomatic Pouch and mail services for the Department, and also for other government agencies sending mail-matter abroad;
- (2) In cooperation with the Division of Foreign Service Administration, technical inspection of the Department's postal facilities and operations abroad;
- (3) Maintenance of a central intra-departmental pick-up and delivery service;
- (4) Maintenance of mechanical inspection and repair services for all types of machines in the Department;
- (5) Supplying special secretarial and conference-reporting services for the Department;
- (6) Maintenance of all duplicating facilities, including microfilming, photographing, mimeographing, etc.;
- (7) Preparation for and control over all moving;
- (8) Liaison with Public Buildings Administration for maintenance of buildings;
- (9) Repair of property and equipment;
- (10) Coordination of a translating service for all Federal agencies through the Central Translating Division of the Department, other Federal Departments, or contracts with Commercial Services;
- (11) In cooperation with the Office of Public Information and the Division of International Conferences, for the organization, presentation, and control of the Department's exhibits at national and international expositions;
- (12) Maintenance, supervision, and control over motor vehicles and operations;
- (13) Supervision of messenger service;
- (14) Maintenance of telephone equipment and services, including the preparation and

<sup>1</sup> Departmental Order 1289, dated Sept. 29, 1944, effective Sept. 1, 1944.

periodic issuance of telephone directories.

(c) Through a Procurement Branch:

- (1) Procurement, purchase, and supply activities of the Department;
- (2) Making of contracts for special services and equipment;
- (3) Control over contingent-expense appropriations;
- (4) Preparation of budget estimates for contingent-expense appropriations of the Department, including travel;
- (5) Issuance and control of supplies and equipment;
- (6) Maintenance of inventory records of supplies and equipment;
- (7) Warehousing, supply and shipping functions for the Department, including shipment of supplies and materials from Washington;
- (8) Administration of travel appropriations for Departmental personnel.

3. *Organization of the Division.* The Chief of the Division of Administrative Services shall be assisted in the performance of his duties by three Assistant Chiefs of Division, in charge, respectively, of the Operation-management Branch, the Facilities Branch, and the Procurement Branch.

4. *Signing and certifying authority.* (a) The Chief of the Division of Administrative Services is hereby authorized to:

- (1) Sign and issue certificates of authentication under the Seal of the Department of State, in conformity with the Department's regulations (22 CFR, pt. 8 as amended on this date);
- (2) Prepare the nominations of officers appointed and promoted by the President through the Department of State;
- (3) Issue commissions, certificates of designation, and exequaturs;
- (4) Have custody of current records regarding Presidential appointments, commissions, et cetera;
- (5) Have custody of and control over the Great Seal of the United States;
- (6) Certify, with or without seal, copies of the official texts of United States treaties;
- (7) Sign contracts, upon appropriate written

authorization, for expenditures under appropriations for contingent expenses of the Department, under appropriations for passport agencies, international commissions, conferences, congresses, conventions, meetings, and expositions, and under miscellaneous appropriations;

(8) Certify vouchers covering expenditures under the appropriation for contingent expenses of the Department and covering such other miscellaneous obligations as he may, under appropriate written authorization be directed to incur;

(9) In special cases, waive the requirement of advance payment for unofficial photostat work provided for in the Department's regulations (22 CFR, pt. 12).

(b) The Chief of the Procurement Branch is hereby authorized to sign, under appropriate direction of the Assistant Secretary in charge of administration, purchase orders and contracts covering expenditures coming under the appropriation for contingent expenses of the Department.

5. *General delegation of authority.* Full authority is hereby delegated to the Chief of the Division of Administrative Services to enable him to effectively discharge all the responsibilities assigned herein.

6. *Routing symbol.* The routing symbol of the Division of Administrative Services shall be AM.

7. *Amendment or abrogation of previous orders.* Departmental Orders 1218 and 1219 are hereby amended, and Departmental Order 1218-A is hereby abrogated, in accordance with the provisions of this order.

CORDELL HULL

September 29, 1944.

## Departmental Issuances<sup>1</sup>

### ADMINISTRATIVE INSTRUCTIONS

*Purpose.* The purpose of this order is to redefine the coverage of the General Administration series of Administrative Instructions and to redelegate the signing authority for the General Administration series and Operating Facilities series.

*Amendment of Departmental Order 1269.*<sup>2</sup> (a) Paragraphs 5 and 10 of Departmental Order 1269 are hereby amended to read as follows:

5. *Administrative Instructions—General Administration.* (a) This numbered series will comprise detailed instructions on subjects not prima-

<sup>1</sup> Departmental Order 1290, dated Sept. 29, 1944; effective Sept. 1, 1944.

<sup>2</sup> BULLETIN of May 13, 1944, p. 436.

rily or exclusively related to those specifically dealt with in the other categories of Administrative Instructions.

(b) This series of Administrative Instructions will be signed by the Director of the Office of Departmental Administration.

10 *Administrative Instructions — Operating Facilities.* (a) This new numbered series will comprise detailed instructions on supplies, equipment, space, messenger service, duplicating service, and other operating facilities of the Department.

(b) This series of Administrative Instructions will be signed by the Chief of the Division of Administrative Services and approved by the Director of the Office of Departmental Administration.

(b) All references to the Division of Administrative Management appearing in any Departmental Order or Administrative Instruction issued prior to this order, are hereby amended to read "Division of Administrative Services".

CORDELL HULL

*September 29, 1944.*

### Appointment of Officers

Maxwell M. Hamilton as Special Assistant to the Secretary, effective September 28, 1944.

Millard L. Kenestrick as Chief of the Division of Administrative Services, effective September 1, 1944.

<sup>1</sup> BULLETIN of Apr. 1, 1944, p. 305.

<sup>2</sup> Executive Agreement Series 238.

<sup>3</sup> Executive Agreement Series 252.

<sup>4</sup> Executive Agreement Series 78.

## TREATY INFORMATION

### Expiration of Certain Agreements Between the United States and Haiti Upon Termination of Haitian-Dominican Commercial Treaty

The American Embassy at Port-au-Prince transmitted to the Department, with a despatch of September 19, 1944, exchanges of notes of February 15 and 19 and September 9 and 16, 1944 between the American Ambassador and the Haitian Secretary of State for Foreign Affairs relating to the automatic termination of the provisions of certain agreements between the United States and Haiti upon the termination of the Haitian-Dominican commercial treaty of August 26, 1941.<sup>1</sup>

In an exchange of notes of February 16 and 19, 1942 with Haiti,<sup>2</sup> amended by an exchange of notes of April 25, 1942,<sup>3</sup> the United States agreed not to invoke the pertinent provisions of the trade agreement of March 28, 1935<sup>4</sup> between the United States and Haiti for the purpose of claiming the benefit of the tariff preferences granted by Haiti to the Dominican Republic which were specifically provided for in the commercial treaty of August 26, 1941.

By the notes of February 15 and 19 and September 9 and 16, 1944 the Governments of the United States and Haiti confirm their understanding that the exchange of notes of February 16 and 19, 1942 and numbered paragraph 3 of the exchange of notes of April 25, 1942 automatically terminated at the expiration of the Haitian-Dominican commercial treaty on March 24, 1944.

THE DEPARTMENT OF STATE

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BULLETIN

VOL. XI, NO. 277

OCTOBER 15, 1944

*In this issue*

SHOULD WE HELP ITALY?

*Article by Dallas Dort*

EVOLUTION OF LOCAL GOVERNMENT IN ITALY

*Article by Howard McGaw Smyth*



THE DEPARTMENT OF STATE  
**BULLETIN**

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*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

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# Columbus Day

## ADDRESS BY THE PRESIDENT<sup>1</sup>

[Released to the press by the White House October 12]

Today—the birthday of the New World—the peoples of the American republics join in paying tribute to the courage and vision of Christopher Columbus, whose name we honor and whose adventurous spirit we perpetuate.

The survival of that spirit is more important than ever, at this time when we are fighting a world war and when we are building the solid, durable foundations for future world peace.

The little fleet with which Columbus first crossed the ocean took 10 weeks for the voyage. The crews of the three ships totalled approximately 90 men.

Today—every day—many times that number of men and many tons of cargo are carried across the ocean by air in a few hours. And by sea transport, an entire division of some 15 thousand men can be sent across the Atlantic in one ship in one week.

When we remember the rapid development of aviation since the last war we can look ahead to the coming years, and know that all the airways across all the seas will be constant lines of communication and commerce.

Thus the margin between the Old World and the New—as we have been used to calling the hemispheres—becomes constantly narrower. This means that if we do not now take effective measures to prevent another world war and if there were to be a third world war, the lands of the Western Hemisphere would be as vulnerable to attack from Europe and Asia as were the Island of Crete and the Philippine Islands five years ago.

It is a significant fact that today in Italy—the homeland of Columbus—forces from many parts of this hemisphere and from many distant parts

of the civilized world are fighting for freedom against the German threat of medieval tyranny.

Serving in the Allied armies in Italy are men from the 48 United States, from the United Kingdom of Great Britain, and the Republic of France. There are also strong, well-trained, well-equipped forces from Brazil; there are units from Puerto Rico; there are Greeks and there are Poles who have distinguished themselves in bitter fighting at Cassino and Ancona and Rimini; there are gallant men from Canada, Ireland, New Zealand, South Africa, and India; there are combat teams composed of Americans of Japanese ancestry who came from Hawaii—all providing an effective answer to the false Nazi claims of “Nordic superiority”.

And there are also Italians bravely fighting for the liberation of their country. They are fighting in the Allied armies, and they are fighting in the underground forces behind the German lines.

If the spirit of Columbus hovers over his native land today, we can be sure that he rejoices in the varied nature of the Allied forces. For he was one of the truly great internationalists of all time.

During the past century, many millions of Italians have come to the Western Hemisphere seeking freedom and opportunity. In Italy there is hardly a town or village that does not contain families who have blood ties with the New World. This is one of the many reasons why the forces of liberation have been welcomed so cordially by the Italian people after 22 years of Fascism.

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<sup>1</sup> Delivered at the White House before the chiefs of the diplomatic missions from the other American republics on the occasion of Columbus Day. The speech was broadcast by the three major networks and was also carried by short wave to South America.

The Fascists and the Nazis sought to deceive and to divide the American republics. They tried not only through propaganda from across the seas, but also through agents, spies, and fifth columnists operating all over the Western Hemisphere. But they failed. The American republics were not deceived by their protestations of peace and friendship; they were not intimidated by their threats.

The people of the United States will never forget how the other American republics, acting in accord with their pledges of solidarity, rallied to our common defense when the continent was violated by Axis treachery in an attack on this country. At that time Axis armies were still unchecked, and even the stark threat of an invasion from Dakar hung over our heads.

We have maintained the solidarity of the governments of all the American republics—except one. And the people of all of the republics will have the opportunity to share in the achievement of the common victory.

The bonds that unite the American republics into a community of good neighbors must remain strong. We have not labored long and faithfully to build in this New World a system of international security and cooperation merely to let it be dissipated in any period of post-war indifference. Within the framework of the world organization of the United Nations, which the governments and people of the American republics are helping to establish, the inter-American system can and must play a strong and vital role.

Secretary Hull has told me of the conversations he has had with representatives of our sister republics concerning the formation of a world security organization. We have received important and valuable expressions of views from several of these governments. I know that Secretary Hull, and Under Secretary Stettinius, who led the United States Delegation at Dumbarton Oaks, are looking forward to further exchanges of views with our good neighbors before the meeting of the general conference to establish the world organization. We must press forward to bring into existence this world organization to maintain peace and security. There is no time to lose.

It is our objective to establish the solid foundations of the peace organization without further delay, and without waiting for the end of hostili-

ties. There must, of course, be time for discussion by all the peace-loving nations—large and small. Substantial progress has already been made, and it must be continued as rapidly as possible.

Like the Constitution of the United States itself, the Charter of the United Nations must not be static and inflexible, but must be adaptable to the changing conditions of progress—social, economic, and political—all over the world.

In approaching the great problems of the future—the future which we shall share in common with all the free peoples of this earth—we shall do well to remember that we are the inheritors of the tradition of Christopher Columbus, the navigator who ventured across uncharted seas.

When Columbus was about to set forth in the summer of 1492 he wrote: “Above all it is very important that I forget sleep, and labor much at navigation, because it is necessary”.

We shall require the same determination, the same devotion, as we steer our course through the great age of exploration and discovery which lies before us.

## MESSAGE FROM THE PRIME MINISTER OF ITALY TO THE PRESIDENT

[Released to the press by the White House October 12]

On the occasion of the recurrence of Columbus Day, I am grateful for the opportunity, Mr. President, to send to you the vivid and warm good wishes of the new Italy. The name of Columbus is the concrete symbol of the centuries old ties uniting Italy to the United States, and is today cemented and reinforced by the blood shed together against a common enemy. These ties find shining confirmation in the great and spontaneous support shown to us in our present tragic struggle by the noble North American nation. The Italian people are grateful to you, Mr. President, for the cordial words directed to us at this time, and for the announcement of the steps which have been and are to be taken. We know that we can count at this time on the rebirth of the friendship for us of the great and free people of the United States.

BONOMI

REMARKS BY THE UNDER SECRETARY OF STATE<sup>1</sup>

[Released to the press October 12]

Secretary Hull has asked me to express to you his great regret that he cannot be with you this afternoon, for this day has always been an occasion of special and solemn significance to the peoples of the American republics. We are particularly happy to welcome you here, and I extend to you the Secretary's most cordial greetings.

The members of the American group who participated in the Dumbarton Oaks conversations kept constantly in mind, as I am confident you knew we would, our inter-American relations and the contribution which all the American nations cooperating together can make toward a peaceful and stable world order. We referred frequently to the various principles and arrangements developed through inter-American conferences, particularly in recent years. We tried also to examine each proposal in the light of the common interests of our hemisphere in peace, security, and friendly cooperation.

You will have seen a special reference in the Dumbarton Oaks proposals to regional arrangements. It is hoped that the Council will encourage the settlement of local disputes through regional arrangements or agencies consistent with the purposes of the world organization. We believe that the effect of this will be to enhance the position and responsibilities of the inter-American system.

A great opportunity lies open to the American republics in strengthening our inter-American system of cooperation and in making our contribution to cooperation among all peace-loving nations in order that the problems of the future may be met with the greatest possible effectiveness.

Our capacity to perform great tasks together has been clearly demonstrated in the war. The greatest source of strength which the American republics have found has been the solidarity with which they met the threat to their common safety. That solidarity, and the strength which flowed from it, has proved to be a mighty weapon for the forces of liberation.

The future will, I am sure, judge as of supreme importance the fact that through the strain and difficulties of this world war 20 American republics have stood firmly by their declarations of solidarity. Through their loyalty to their pledged word as sovereign equals, they have given to each the strength of all in the defense of their security and independence.

Neither the American republics, nor for that matter any other nations of the world, can at this time afford to retreat from the position that nations, while preserving their own sovereignty, must at the same time respect and fulfil their obligations to others. Had not 20 American republics recognized the importance of that position and acted accordingly, the war might have taken a far more difficult course than it has. And only if the nations of this world do in the future abide by their pledges of mutual support, recognizing that the security of each is linked to that of others, shall we be able to present a united defense against any new aggressor who may try to repeat the mad performance of the Axis triumvirate.

The principles which underlie the inter-American system, growing as they do out of long and fruitful experience, cannot but have an important bearing upon the operations of the proposed international organization. The recommendations formulated at Dumbarton Oaks are of course only proposals. They should be carefully studied, worked over, improved, and supplemented as necessary to meet the needs of all nations which will participate in drafting the charter at a United Nations conference to be held as soon as may be practicable. I hope that we shall have opportunity to discuss matters of mutual interest in connection with the establishment of the proposed world organization.

As you are aware, our ambassadors in your countries have already informed your foreign ministers that we desire to keep in the closest touch with their chiefs of mission in Washington in order to facilitate the fullest possible exchange of views. It is most appropriate, I believe, to discuss these vital subjects, together, in conformity with the spirit of free and frank consultation which has

<sup>1</sup> Delivered at a reception given to the chiefs of the diplomatic missions from the other American republics at the Blair House on Columbus Day, Oct. 12, 1944.

characterized the relations of our countries. The Secretary and I, as well as Mr. Pasvolosky, Mr. Armour, and the chiefs of appropriate divisions, will all welcome the opportunity of discussing these matters with you.

I know that each of us here feels a deep responsibility in this matter, and that we will all carry it out in the same spirit of mutual understanding and good-will which has long marked our collaboration and solidarity.

## National Anniversary of China

### STATEMENT BY THE PRESIDENT

[Released to the press by the White House October 10]

Today is the thirty-third anniversary of the outbreak of the Chinese Revolution. It is essentially a Chinese anniversary. But it is also an anniversary of importance to the whole world—because it marks the day on which one fifth of the world's population threw off a reactionary and oppressive alien yoke and started anew on the path of democracy.

The Chinese people are now in their eighth year of resistance to Japanese aggression. The American people salute them and pay tribute to their courage and fortitude.

We join them in the confident hope that the day is near at hand when the Japanese will be driven from the homeland of China, so that the people of China may join with us and the other United Nations in building a durable peace in a world free from aggression.

### MESSAGE FROM THE PRESIDENT TO GENERALISSIMO CHIANG KAI-SHEK

[Released to the press October 10]

On behalf of the American people I extend to you and to the people of China congratulations and good wishes upon this thirty-third anniversary of China's national revolution for freedom.

Aware of the difficult military situation confronting the valiant Chinese armies, we have especial happiness in sharing with them the inspiring knowledge that complete victory is now vouchsafed and that China's sacrifices to frustrate the aggressor's last desperate endeavors will play an important part in facilitating and hastening the final Allied drive that is fast gathering with overpowering might.

It is a pleasure to reaffirm the pride we take in our deep and enduring friendship with the great Chinese nation and the satisfaction with which we welcome the even closer association pledged for the common task of creating a just and stable peace among nations.

### MESSAGE FROM GENERALISSIMO CHIANG KAI-SHEK TO THE PRESIDENT

[Released to the press by the White House October 12]

In the name of the Chinese people I wish to thank you and the American people most sincerely for the message of congratulation you sent me on the occasion of our National Day. In our present war of resistance, which has already lasted more than seven years, the unbounded sympathy of the American people has always been an unfailing source of encouragement to us. As the time for the Allied powers to deal a death blow to the aggressors is fast approaching, China, as one of the Allies, will do her utmost to drive the enemy from her shores and help bring about his final collapse. The people of China are deeply indebted to the American Nation for her friendship in lending hearty support to China's cause. We have the deepest admiration for the prodigious efforts you have made to lay a solid foundation for a better world order and will never cease to strive for the realization of the democratic ideals we have long cherished so as to usher in a new era of peace, freedom and justice for all mankind.

### MESSAGE FROM THE SECRETARY OF STATE TO THE CHINESE MINISTER FOR FOREIGN AFFAIRS

[Released to the press October 10]

On this national anniversary of the Republic of China, it gives me great pleasure to convey to you my warm personal greetings and my cordial felicitations and good wishes for your country's welfare and happiness.

China's epic struggle against aggression constitutes a magnificent contribution to the cause of freedom. The indomitable spirit which has motivated that struggle, together with the Chinese people's vast capabilities, inherent democracy and rich cultural heritage, gives me every confidence that China's contributions to the post-war peace and progress of mankind will be equally impressive.

# Should We Help Italy?

By DALLAS DORT<sup>1</sup>

THE serious plight in which the Italian people now find themselves has been the cause of a great deal of public discussion and comment during the past several months. Correspondents have written long despatches from Rome underlining the lack of food and other necessities and discussing the serious inflation with its attendant black-market activities. They have in some cases severely criticized the measures which the Allied authorities have or have not undertaken to alleviate those conditions. General William O'Dwyer, Vice President of the Allied Commission, in charge of its economic section, has recently returned with a report to the President which points out the serious problems involved. It seems likely that the economic condition of Italy will continue to evoke a great deal of attention on the part of the American public, as it has up to this time.

There are a number of reasons for this interest. In the first place there is a large population of Italian origin in the United States, which is naturally interested in the conditions existing in Italy. In the second place Italy is the first European country to have been occupied by the Allies. In the third place the economic condition of Italy, particularly that part of it which we have occupied up to this time, is probably more critical, both now and potentially, than that of most other European countries, with the possible exceptions of Greece and Poland. Italy is short both of supplies necessary to maintain the barest minimum standard of living and of financial resources to obtain them.

There are 46 million Italians living in an area smaller than the State of California. Italy has never been able to produce enough food to feed such a population. Prior to the war she normally imported upwards of 800 thousand tons of grain a year. The peninsula is lacking, moreover, in most of the raw materials needed by a modern industrial economy.

Italy furthermore has been the scene of continuous fighting for over 15 months. The Germans have been forced back almost foot by foot from the southern tip of Sicily to the edge of the Po Valley. As the Germans have retired they have had time—and they have generally utilized it well—to destroy whatever essential power plants and other utilities, factories, and railroads have escaped the Allied bombings. They have taken with them trucks, railway cars, and movable machinery and equipment. Out of a total power-plant capacity of 667,000 kilowatts in the southern and central areas only 60,000 kilowatts remain. The extent of the German efforts to remove machinery to Germany is well illustrated by the fact that over 500 railway cars loaded with machinery and equipment from the Terni electrical and chemical plants were overtaken by the Allies, because in that area the Germans retired too quickly to get them under way. An additional factor is that the part of Italy which we have occupied to date has always been economically dependent to a great extent on the Po Valley, which not only produces surpluses of grain and other agricultural products but also is the industrial heart of the country.

We in the United States are now faced with the problem of determining to what extent we are interested in those conditions and to what extent, if any, we want to provide assistance in improving them. The purpose of the Allied military authorities in Italy has been simply to maintain order behind the lines. In addition to exercising or controlling governmental functions this involved providing the bare minimum of food, fuel, and medical supplies needed to prevent disease or disorder, which would interfere with military operations. The principal items imported originally were wheat, coal, and medicines. As time went on it became evident that even under this limited military objective the importation of some rehabilitation supplies was warranted to increase the production and make a more effective distribution in Italy of basic relief

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<sup>1</sup>Mr. Dort is Adviser in the War Areas Economic Division, Office of Wartime Economic Affairs, Department of State.

supplies and thereby reduce the amount of such supplies which would have to be imported. In this category were included such items as phosphate rock for the manufacture of fertilizer, coal and sulphur-mining machinery, and caustic soda for the production of soap. The basic concept of the military authorities always has been, however, that their job was to fight a war and that they had no responsibility for providing economic assistance beyond that necessary to safeguard their operations. Whether they have fully succeeded in their objective has been the subject of some controversy. The difficulties of supplying even minimum necessities have been very great. For many months the major part of supplies both military and civilian had to be funneled through the port of Naples, and ship berths were at a premium. With railroads and motor transport largely out of commission, internal transportation facilities were strained to the utmost to maintain the ever-lengthening lines of supply to the fighting front—and military operational supplies generally received priority. Military authorities say however that their purpose has been attained, since disease and disorder which would have interfered with military operations have not in fact occurred.

In a recent joint statement to the press following their Quebec conference President Roosevelt and Prime Minister Churchill set forth an objective of our two Governments toward Italy somewhat broader than that heretofore followed by the military authorities. They said:

“At the same time, first steps should be taken toward the reconstruction of an Italian economy—an economy laid low under the years of the misrule of Mussolini, and ravished by the German policy of vengeful destruction.

“These steps should be taken primarily as military aims to put the full resources of Italy and the Italian people into the struggle to defeat Germany and Japan. For military reasons we should assist the Italians in the restoration of such power systems, their railways, motor transport, roads and other communications as enter into the war situation, and for a short time send engineers, technicians and industrial experts into Italy to help them in their own rehabilitation.”<sup>1</sup>

If the full resources of Italy are to be put into the struggle to defeat Germany and Japan, its economy obviously must be revived to a point beyond that necessary merely to prevent widespread disease and disorder. Beyond the concept of providing assistance in order that Italy can contribute to the prosecution of the war, there is a question as to whether or not it is worthwhile from our own interest to provide them further assistance toward a more basic rehabilitation of their economy.

The task of planning and executing a long-term program of rehabilitation must be a responsibility of the Italians themselves. As mentioned, Italy has always lacked essential foods and raw materials, and as a result of the war she has lost a great deal of her industrial machinery and transportation equipment. She also lacks the means to buy them because her foreign assets are negligible. The Italians will have to face the fact that their whole economy—which under the Fascist regime was based on efforts to make the state economically independent of other nations—will have to be altered. Italy will have to readjust her agricultural and industrial patterns to concentrate on specialty products and manufactured goods where she can most effectively use two of her greatest assets, climate and manpower. She should be able to sell such products abroad in exchange for the foods and raw materials which she needs.

In view of their lack of foreign exchange, however, and the present control by the Allies of supply and shipping facilities, the Italians actually can accomplish very little without cooperation and assistance on our part. Assistance which we would need to furnish would involve primarily the provision of necessary credits to permit Italy to buy machinery, raw materials, and other items needed to revive her economy. It would also involve in the initial stages making available shipping and some supplies which might be in short supply as well as lightening as far as possible the burden of our military occupation of Italy.

Although the American people will undoubtedly contribute through private channels a great deal of money and supplies in order to relieve distress in Italy, it is not to be expected that the American taxpayer or investor would desire to participate in financing the cost of substantial economic assistance to Italy purely on humani-

*(Continued on next page)*

<sup>1</sup> BULLETIN of Oct. 1, 1944, p. 338.

# Financial Arrangements For Italy

## STATEMENT BY THE PRESIDENT

[Released to the press by the White House October 10]

I have today approved the recommendation of the Secretaries of State, Treasury, and War, and of the Foreign Economic Administrator, that the United States Government currently make available to the Italian Government the dollars equivalent to the Italian lire issued up to now and hereafter as pay to United States troops in Italy.

The dollar proceeds of remittances made by individuals in this country to friends and relatives in Italy are also being made available to the Italian Government as are the dollar proceeds of any products exported by Italy to this country.

It has been our intention to make available to the friendly western European countries dollars equivalent to the local currency issued as pay to American troops in their territory. This policy differs from that to be applied in the case of Italy since in the latter case it is subject to special restrictions reserved to the United States in connection with the final peace settlement.

The dollars made available to Italy will be used by the Italian Government to pay for essential civilian supplies purchased in this country for use in liberated Italy. The United States Army has supplied substantial amounts of certain essential civilian goods such as food, clothing, and medical supplies as a necessary part of military operations in Italy. The funds which I am now making available will enable the Italian Government under control of appropriate Allied authorities to obtain in this country other essential civilian supplies and to continue to obtain essential supplies after the United States Army program ceases.

This step has been taken after consultation with the British Government, which has also been providing essential civilian supplies to the Italians and will continue to provide its share of an agreed program of such supplies, but under different financial arrangements.

The Fascist dictatorship which led Italy into war against the United States and the other United Nations has been overthrown. Today, the Italian people are cooperating with the United Nations forces in driving the Germans from Italy.

Our soldiers, sailors, and airmen are welcomed and assisted by the civilian population in Italy wherever they go. Italian troops are joined with our forces at the front. And behind the German lines, Italian partisans are heroically giving their lives in the struggle.

It is to our interests that Italy be able to contribute as fully as possible to the winning of final victory. While the reestablishment of Italy as a free, independent, and self-supporting nation must be primarily the responsibility of the Italian people themselves, it is also to our interest that the Italian people be given the opportunity to obtain and pay for the necessities they need from us if they are to be able to help themselves.

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**DORT**—Continued from page 402

tarian grounds. Many Americans will remember that the soldiers of Fascist Italy only a few months ago were shooting at our own troops and that Fascist Italy's record over the past two decades is certainly not one which would inspire much sympathy or confidence.

On the other hand, if, by our providing help at this critical period, Italy can achieve economic and political conditions favorable to the development of democratic institutions and policies, and to a cooperative attitude in her dealing with other nations in solving the many problems growing out of the war, our investment in effort and money may be well worthwhile. The effective activity of Italian partisans behind the German lines and the cooperative attitude of the present Italian Government and great numbers of the Italian people are evidence that a large portion of the population is ready and anxious to accept democratic ideas and desires a more free and cooperative relationship between Italy and the rest of the world. Such sentiments will of course be greatly retarded or eliminated if Italy remains in a condition of economic chaos.

From the standpoint of sound investment possibilities and profitable commercial relations in the future, as well as of world peace and security, we have a definite stake in a democratic and cooperative Italy. We must decide whether this stake is worth the immediate cost. A clear-headed determination of what course is in the best interest of the United States should be the guiding factor in making our decision.

# Evolution of Local Government in Italy

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**L**OCAL government in Italy is a great paradox. In no European national state are the local differences in language, cultural traditions, and economic conditions so great as they are in Italy. At the same time the system of government is unquestionably the most highly centralized and bureaucratized of any European state, designed to give the national government control over even the most minute aspects of local affairs. Local government in Italy has been a matter of great discontent since the very beginnings of the present national state and is destined to be a matter of primary importance in the impending political reconstruction of Italy.

This article offers an account of the origins of the system of local government in modern Italy and its development in the pre-Fascist and Fascist periods.

## I. Historic Particularism in Italy

The political unification of Italy was completed only in 1870, within the memory of living men. For more than a thousand years earlier the Italian peninsula had been divided into a number of different states. The early development of urban life in the late Middle Ages fostered among the Italians an extraordinary municipal spirit, which was reflected in a vigorous development of communal self-government in the city-republics, particularly in central and northern Italy. During the period of the Renaissance considerable political consolidation developed around certain natural centers. Despite frequent foreign invasions and dynastic changes the political map of Italy did not alter greatly between the sixteenth century and the Napoleonic conquest. The historic parts of Italy were:

1. Sardinia, a feudal kingdom which in 1720 was acquired by the House of Savoy, thereby conferring to it the royal title

2. Piedmont, which, with French-speaking Savoy, formed the continental possessions of the Savoy dynasty
3. The city-state Republic of Genoa
4. The Duchy of Milan or Lombardy
5. The Republic of Venice
6. The Duchy of Parma and Piacenza
7. The Duchy of Modena
8. The Grand Duchy of Tuscany
9. The Duchy of Lucca
10. The States of the Church
11. The Kingdom of Naples, whose dynasty also ruled
12. The Kingdom of Sicily

A great diversity of customs and traditions existed among the peoples of those different states and even among those under the same rule. The Sicilians regarded continental Naples with a feeling not unlike that of the Irish for England; Piedmont was the traditional enemy of the Genoese Republic. The mainland cities under the Venetian Republic were jealous of their lost independence; Bologna and Ferrara resented the rule of papal Rome; Siena despised Florence although both were embraced within the Grand Duchy of Tuscany.

After the Napoleonic conquest the whole of continental Italy was reduced to three states: (1) the parts of the French Empire which were assimilated to France and ruled by prefects appointed from Paris; (2) the Kingdom of Italy with its capital at Milan, where Eugene Beauharnais acted as Napoleon's viceroy; and (3) the Kingdom of Naples under Joachim Murat, brother-in-law of Napoleon. The autonomy of the Italian communes, which has endured for centuries, came to a sorry end under the Napoleonic military empire.

The Treaties of Vienna (1815) reestablished the ancient principalities of Italy, eliminating only the republics of Genoa and Venice. The Hapsburg Empire, which regained possession of Lombardy and absorbed the Venetian territories, dominated all Italy. Tuscany, Parma, and Modena were ruled by members of the imperial House of Hapsburg.

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The "independent" Italian states were either under Austrian protection or bound by alliance to the court of Vienna. All the Italian governments of the restoration era, however, retained the French system of centralized administration.<sup>1a</sup>

The restoration also ushered in a period of increased agitation for Italian unification, which first took the form of literary propaganda for an Italian fatherland—a phase of the *Risorgimento* that was the prelude to the later political union. Because of the strength of the municipal and provincial spirit, however, most of the literary proponents of unification favored federalism.<sup>2</sup> Even Mazzini, who called for the overthrow of all the dynasties and the formation of a unitary republic with Rome as the capital, desired administrative decentralization with the "region" serving as an organ of government intermediate between the commune and the state.

## II. The Origin of the System of Centralization: The Legislation on Local Government in the Period of Italian Unification (1847–65)

### A. THE PERIOD 1847–49

In the years 1846–48 the movement for Italian unification came to a head. This initial movement was twofold: a liberal-revolutionary movement within each of the several states resulting in the grant of a constitution and an attempt to form a league of the Italian states and to drive Austria out of Italy.

The movements of 1848–49 failed either to drive Austria out of its Italian possessions (the Lombardo-Venetian Kingdom) or to create an Italian confederation or league. The Italian princes, jealous of each other, failed to unite their forces against Austria. Piedmont demanded the absorption of Lombardy and Venetia under the House of Savoy. Such an increase of strength would have brought about a hegemony over the other Italian states, which refused therefore to exert themselves in a national war that would have resulted chiefly in the growth of Piedmont. In the early spring of 1849 the temporary republican governments of Rome, Venice, and Tuscany failed even more miserably than the princes in 1848 to develop a confederation.

The real burdens of the wars against Austria fell on Sardinia-Piedmont, in both 1848 and 1849. Despite its failures Piedmont gained the unques-

tioned leadership in the Italian national struggle. Although federalism was still the dominant conception for the form of future Italian unity, the new schemes of federation (after 1849) were built around the theory of an enlarged Piedmont which would be dominant in the North.

In reality Piedmont was destined to absorb all Italy and extend its own institutions throughout the country. That state, technically known as the Kingdom of Sardinia, was unique in Italy. Alone among the Italian states it had a native dynasty, a real military force, and an aristocracy accustomed to military and bureaucratic service under the crown. King Charles Albert (1831–49), whose dynastic aim was to gain Lombardy, was a firm believer in the divine right of kings. Yet hoping to utilize the national-liberal movement for the acquisition of Lombardy, he was forced to make concessions to the liberals.

### *The Royal Edict of October 27, 1847 on the Administration of Communes and Provinces*

In October 1847 Charles Albert issued an edict providing for a series of reforms in the local administration of his continental domains. Hitherto the state had been an absolutism tempered only by custom: all political power emanated from the crown. The edict provided for communal, provincial, and divisional councils whose functions were to assist the officials appointed by the royal government. Only the communal councilors were directly elected. Charles Albert's purpose was not to prepare his people for constitutional self-government but rather to make the minimum concession necessary to retain the support of the liberal forces. Although this law was in operation for only a year and was intended only for the mainland parts of Sardinia-Piedmont, it is a basic text in Italian local government. Certain of its features have been retained to the present day.

All the territory of the mainland kingdom was divided into three units of administration: (1)

<sup>1a</sup> E. Brusa, *Das Staatsrecht des Königreichs Italien*, Freiburg i. B., 1892, Vol. IV, Part I, in *Handbuch des öffentlichen Rechts der Gegenwart*, edited by Heinrich Marquardsen, p. 337.

<sup>2</sup> Such as Cesare Balbo, Vincenzo Gioberti, Antonio Rosmini, Gioacchino Ventura, Pellegrino Rossi, Carlo Troya, Giuseppe Ferrari, and Carlo Cattaneo. See Antonio Monti, *L'idea federalistica nel Risorgimento italiano*, Bari, 1922, p. 6.

communes, (2) provinces, and (3) divisions (*divisioni*).<sup>3</sup> The *mandamenti* were retained as the lowest judicial unit, of which there were 410 on the mainland.

### The Commune

The administration of the commune consisted of (1) the syndic (*sindaco*), (2) one or more vice syndics, (3) the executive council (*consiglio di credenza*), and (4) the communal council (*consiglio comunale*). Except for the division of communes into classes according to size, all were regulated alike. The number of members of the communal council varied according to size of population (articles 32, 33):

CLASS	NUMBER OF COUNCILORS
Turin and Genoa . . . . .	80
First class (population 10,000 or over) . . . . .	60
Second class (population 3,000-10,000 or <i>capoluogo</i> of a province) . . . . .	40
Third class (population under 3,000) . . . . .	30

The suffrage in electing the communal councilors was based chiefly on wealth. In communes of 500 inhabitants or fewer the 10 percent of the population who were the highest contributors of direct taxes were entitled to vote. This percentage on whom the suffrage was conferred varied inversely with the size of the commune:

POPULATION OF COMMUNE	PERCENT PAYING HIGHEST TAXES
500-5,000 . . . . .	5%
5,000-10,000 . . . . .	3%
10,000-20,000 . . . . .	2%
Above 20,000 . . . . .	1%

Masters of elementary schools, those with university degrees, and persons with various military or political distinctions were also enfranchised (article 34). The communal council proposed to hold two regular annual sessions of 15 days each, in the spring and in the autumn. It elected the executive council (*consiglio di credenza*), whose term was one year, to carry on its work during the intervals between sessions; and it voted the communal budget.

The syndic was both the head of the communal administration and an agent of the royal government (article 6) appointed by the king for a

three-year period but from among the elected council members (article 9). The communes were given the functions of maintaining local schools and charities and municipal police.

Despite the elective element represented by the communal council the government retained certain effective controls over the communes. The intendant (head of the provincial government) or the intendant general (head of the divisional government) might intervene directly or by means of a delegate in the sessions of the communal council, but without the right to vote (article 64). The syndic might be suspended by the intendant general (article 10) or might be removed from office by the king (article 11).

### The Province

Above the commune was the local unit termed "the province", of which there were 39. The province, like the commune, was a legal person (*corpo morale*) with power to hold property (article 149). The intendant (*intendente*), an appointee of the crown, headed the administration. The provincial council varied in number according to the population of the province (article 166):

POPULATION OF PROVINCE	NUMBER OF COUNCILORS
Below 100,000 . . . . .	18
100,000-150,000 . . . . .	24
Over 150,000 . . . . .	30

The members of the provincial council were chosen by the crown: one third from among the syndics of the province and two thirds from among nominees proposed by the communal councils (article 167).

### The Division (Divisione)

The division constituted the largest local unit. Its administration was headed by the intendant general (*intendente generale*), who had oversight of the intendants of the provinces and of the syndics of the communes as well (articles 154, 161, 164). The divisional council (*consiglio di divisione*) was composed of delegates elected by the provincial councils in such numbers as the crown should specify (article 177). The divisional executive council (*consiglio divisionale di credenza*) consisted of five persons chosen by the divisional council from among its own members (article 206). Its function was to represent the divisional

<sup>3</sup>The text consists of 268 articles, published in full in *Calendario generale per gli stati*, Anno XXV, 1848, pp. 715-756. The 11 divisions and 39 provinces are listed on p. 708.

council during intervals between sessions (article 205).

This system of local government had scarcely gone into operation (January 1, 1848) when it was followed by a powerful agitation for a constitution. Fearing a revolution Charles Albert and his ministers made the momentous decision to grant the *Statuto*. The document was composed in great haste, largely in imitation of the French Constitution of 1830, and it made only a general reference, in article 74, to local government: "Communal and provincial institutions and the boundaries of the communes and provinces shall be regulated by law."

The Piedmontese Parliament which was inaugurated on May 8, 1848 found no opportunity to legislate on local government. The national struggle against Austria which the king had begun on March 23 chiefly absorbed its attention. Following the revolt of Milan a Provisional Government of Lombardy had been established which acted as the ally of Piedmont. It was recognized that the hastily devised *Statuto* was not suitable for a Kingdom of North Italy embracing Lombardy and Venetia as well as the hereditary states of the House of Savoy. Hence it was agreed, as a condition of the "fusion" of Lombardy with Sardinia-Piedmont, that a constituent assembly would be chosen to draft a new constitution. On this condition the Lombards were willing to accept the House of Savoy.<sup>4</sup>

Charles Albert's first attempt to gain Lombardy ended in the disastrous defeat of Custoza (July 23, 1848). He was driven headlong out of the Austrian territories and was compelled to accept an armistice, "as a prelude to peace", which stipulated withdrawal of his forces to his own hereditary states (August 9). A conservative ministry followed the military defeat and governed the country on the basis of the emergency powers conferred on the government by parliament on August 2. Thus it came about that the first legislation on local government under the *Statuto* was not made by parliament but by the ministry alone as a royal decree (*regio decreto*).

*The Royal Decree of October 7, 1848*<sup>5</sup>

This new emergency law on local government was largely modeled after the royal edict of 1847. It was, however, stipulated in the preamble that:

"The complex of the following dispositions, signed by us in original duplicates, shall have provisionally the force of law, and shall be presented to parliament in its next session, along with the modifications recognized in the interval as useful, in order that it may be converted into definitive law."

The units of local government remained the same—communes, provinces, and divisions. Communal government was organized on the same pattern. Article 6 provided for the same classes of communes according to size. Membership in the communal council was slightly reduced (article 8):

POPULATION OF COMMUNE	NUMBER OF COUNCILORS
More than 80,000 . . . . .	80
First class (more than 10,000 population or <i>capoluogo</i> of a province) . . . . .	40
Second class (more than 3,000 population) . . . . .	20
Third class (all others) . . . . .	15

Communal suffrage was conferred on the same groups as earlier (article 9). The executive council of the commune was now termed the *consiglio delegato* (article 7), and this was the chief departure from the earlier communal system.

The government retained all the earlier checks and controls over the municipalities. The syndic remained the same combination of local official and representative of the government (article 73). He was nominated as formerly by the king for a term of three years, and from among the elected communal councilors (article 78). He was subject as formerly to suspension by the intendant general (article 79) and to removal by the king (article 80).

The provinces were retained with an administration headed by the intendant and assisted by a provincial council (article 190). The divisions were likewise retained with an administration headed by the intendant general and assisted by a divisional council. The most important change effected by the decree of 1848 was that the elective

<sup>4</sup>Law on the union with Lombardy, Royal Decree 747, July 11, 1848, published in full in *Collezione Celerifera delle leggi pubblicate nell'anno 1848*, Turin, 1848, Part I, p. 634.

<sup>5</sup>Royal Decree 807, approved Oct. 7, 1848; published Oct. 10, 1848. The text of 286 articles is published in full in *Collezione Celerifera delle leggi pubblicate nell'anno 1848*, Turin, 1848, Part II, pp. 1021-65.

principle was established for both provincial and divisional councils. The members of these councils were to be chosen directly by those having communal suffrage (article 201).

The provincial council varied in number according to population (article 198):

POPULATION OF PROVINCE	NUMBER OF COUNCILORS
More than 150,000 . . . . .	25
More than 100,000 . . . . .	20
Less than 100,000 . . . . .	15

The divisional council was composed as follows (article 199):

POPULATION OF DIVISION	NUMBER OF COUNCILORS
More than 400,000 . . . . .	30
More than 300,000 . . . . .	25
Less than 300,000 . . . . .	20

The term of office of both divisional and provincial councilors was five years, with one fifth of the membership renewable each year (article 201). As a partial check against the democratic elective principle the councilors were required to serve gratuitously (article 235). They were forbidden to discuss matters extraneous to their functions (article 240). The intendant, appointee of the crown, remained the executive official of the province; the intendant general remained as the representative of the authority and power of the king within the division. The whole administrative system remained highly centralized, after the model of France. All executive officials, syndics, intendants, and intendants general remained royal appointees.

The emergency law of 1848 was designed principally to enable the conservative ministry to hold the country in check against the democratic agitation which held the king and the royal army responsible for the military defeat. New syndics were to be appointed for the whole realm by January 1, 1849. After parliament was reconvened (October 15) there was some sharp criticism from the Left of the power of the government to appoint the syndics. A bill was proposed on December 15 limiting the choice of the government to three nominees selected by the communal council. The next day, however, the ministry was overthrown and a democratic ministry succeeded to power. The democrats were not displeased to inherit the power of appointing the syndics. A conservative

thereupon urged action on the bill for reform of local government (December 22). A dissolution of parliament followed (December 30). The new parliament, which opened on February 1, 1849, was completely absorbed in the preparation for resumption of war against Austria. The reform of municipal administration, empowering the communes to choose their own syndics, had seemed inevitable within a short time in 1848. Not before 1896, however, was the reform effected.<sup>6</sup>

Piedmont's second attack against Austria ended in the disastrous defeat of Novara (March 23, 1849). Victor Emmanuel II, who succeeded to the throne on the night after the battle, was forced to accept an armistice and to agree to a heavy indemnity in the peace treaty. The democrats, however, bitterly opposed the ratification of the treaty in parliament, making use of the support of their appointees in the communes. The treaty was not ratified until after a second dissolution of parliament (November 1849). A moderate conservative majority was obtained as a result of the direct appeal of the king (the Proclamation of Moncalieri) and the employment in certain instances of the intendants to influence the elections.<sup>7</sup> The precedent was thus established for what later came to be a great abuse in Italian politics: the employment of the centralized administrative system to manipulate parliamentary elections.

The defeat of Novara ushered in a period of reaction in which the constitutions of all the Italian states were withdrawn with the exception of the *Statuto* of Sardinia. Alone among the princes of Italy, Victor Emmanuel II maintained his royal promise to act as a constitutional sovereign. The continuance of parliamentary government in little Piedmont was a great factor in the leadership of the House of Savoy in the new movement for Italian unification under Cavour. The Piedmontese Constitution, although in origin an extremely conservative document, gradually became vested with a peculiar prestige because it underlay the only living constitutional system in Italy. A 10-year period of parliamentary experience intervened before Piedmont again challenged the

<sup>6</sup> Edoardo Arbib, *Cinquant'anni di storia parlamentare del Regno d'Italia*, 3 vols., Rome, 1898-1902, I, pp. 147-150.

<sup>7</sup> Arbib, *op. cit.*, I, pp. 376-377; Bolton King, *A History of Italian Unity*, 2 vols., London, 1899, I, p. 359.

Austrian domination. Throughout that period the Royal Decree of 1848 regulated local government.

**B. THE TERRITORIAL UNIFICATION OF ITALY AND THE REGULATION OF LOCAL GOVERNMENT (1859-65)**

In 1858 the agreement of Plombières with Napoleon III embodied Cavour's plans for uniting Italy. At this stage Cavour's aims were directed toward creating a federation under the aegis of an enlarged Piedmont. It was stipulated that France would assist Piedmont against Austria, which would be completely expelled from Italy; that Piedmont would annex Lombardy, Venetia, the Po Duchies (Parma and Modena), and the Romagna and would thus constitute a state of 11 million people; that an Italian federation would then be formed consisting of four states, North Italy under the Savoy dynasty, a Kingdom of Central Italy (Tuscany and Umbria), the remnant of the Papal State, and the Kingdom of the Two Sicilies; and that France in return would receive Nice and Savoy.

The essential feature of the Franco-Sardinian alliance was the condition of the complete expulsion of Austria from Italy. In such a case Piedmont, enlarged by the addition of the whole of the Lombardo-Venetian kingdom, would have dominated the other Italian states, which would no longer have been able to look to Austria for protection. The defense of Italy and the military power would have been concentrated in the Kingdom of North Italy. The local institutions and usages in the other Italian states would have remained, although it was the plan of Cavour that the domination of the confederation by parliamentary Piedmont would have forced a liberal policy on the Pope in Rome and on Ferdinand II of the Two Sicilies.

The war of 1859 brought a terrible disappointment to Cavour. Napoleon III stopped halfway to his goal, suddenly making a truce with the Austrian Emperor. The armistice of Villafranca (July 11, 1859) provided indeed for the cession of Lombardy, but Austria retained

Venetia. The Emperor Francis Joseph would remain an Italian prince; Austria would still be the greatest power and influence in Italy. Cavour resigned in disgust at the peace which Victor Emmanuel II regretfully accepted. The armistice of Villafranca and the Treaty of Zürich (November 10, 1859) which confirmed it gave the deathblow to the federal plans for Italian unification.

While the liberal-revolutionary movement throughout Italy became completely unitarian, concentrating on the single aim of annexation by Piedmont, Cavour's successors in the ministry marked time, waiting on the decisions of Napoleon III. Lombardy, however, was ceded to Piedmont, and a new law to provide for a common system of local government was issued.

*The Law of October 23, 1859 on Communal and Provincial Government*

On April 25, 1859, shortly after the outbreak of the war and after conferring extraordinary powers on the government during the emergency, parliament adjourned. Thus the law of 1859, like that of 1848, was not discussed and approved by the legislature but was issued by the ministers and the king on the basis of delegation of emergency legislative power by parliament.<sup>8</sup>

*Communal Government*

The framework of communal government remained practically the same, its organs being the syndic, the communal council, and the executive council, now renamed *giunta municipale* (article 11). The numbers of councilors were slightly modified (article 12):

POPULATION OF COMMUNE	NUMBER OF COUNCILORS
More than 63,000 . . . . .	60
More than 30,000 . . . . .	40
More than 10,000 . . . . .	30
More than 3,000 . . . . .	20
In all others . . . . .	15

The municipal executive council (*giunta municipale*) was more precisely defined and, in addition to the syndic, had these members (article 13):

POPULATION OF COMMUNE	MEMBERS
More than 60,000 . . . . .	8 assessors ( <i>assessori</i> ) 4 deputies ( <i>supplenti</i> )

<sup>8</sup> *Legge* 3702, dated Oct. 23, 1859, published in the *Gazzetta Piemontese*, Nov. 1, 1859; text in full in *Collezione Celerifera delle leggi, decreti, istruzioni e circolari pubblicate nell'anno 1859*, Turin, 1859, pp. 1252-96.

POPULATION OF COMMUNE (Cont.)	MEMBERS (Cont.)
More than 30,000 . . . . .	6 assessors 2 deputies
More than 3,000 . . . . .	4 assessors 2 deputies
In all others . . . . .	2 assessors 2 deputies

The suffrage in municipal elections was slightly modified, but the pattern remained the same. Those over 21 years who enjoyed civil rights could vote if they paid direct taxes of (article 14) :

- 5 lire in communes of 3,000 or fewer
- 10 lire in communes of 3,000-10,000
- 15 lire in communes of 10,000-20,000
- 20 lire in communes of 20,000-60,000
- 25 lire in communes of more than 60,000

The government retained the earlier checks over municipal affairs. The syndic, who was defined as head of the communal administration and official of the government (article 94), was appointed by the king from among the elected councilors for a three-year term (article 95), subject to suspension by the governor and to removal by the king (article 104). In addition the king was empowered to dissolve the municipal council "for grave reasons of public order", subject only to the restriction that a new council would be elected within three months (article 222).

#### Provincial Government

The law of 1859 brought some change in terminology for the local units, but the pattern of centralized control was actually intensified. The largest local unit, hitherto designated by the term *divisione*, was now termed the province. In old Piedmont, however, it corresponded very closely to the former division.<sup>9</sup>

The organs of provincial government were the governor (*governatore*), the vice governor, the executive council of the governor (*consiglio di governo*), and the elective elements—the provincial council and its provincial deputation (articles 2, 146). The governor exercised practically the same functions hitherto performed by the intendant general. He represented the executive power

in each province, provided for the publication and execution of the laws of the state, was responsible for public security, and had the power to summon the armed forces (article 3). In case of illness or absence he was represented by the vice governor (article 4).

The executive council of the governor consisted of not more than five appointed members (article 6), whose duties consisted of assisting the governor in his functions as executive of the central power and giving him their views in cases of disputes concerning administrative jurisdiction (article 5).

The provincial council was composed, like the former divisional council, in accordance with the population (article 148) :

POPULATION OF PROVINCE	NUMBER OF COUNCILORS
More than 600,000 . . . . .	60
More than 400,000 . . . . .	50
More than 200,000 . . . . .	40
In all others . . . . .	20

Those who enjoyed communal suffrage elected the councilors.

The provincial deputation (*deputazione provinciale*) acted as executive committee for the council, representing it in the intervals between sessions. The governor was *ex officio* a member and presided over it. The council by absolute majority elected the other members, who were eight, six, or four in number, according to the size of the province (article 171).

#### "Circondari" and "Mandamenti"

Two territorial units intervened between the province and the commune. The *circondario* was, in effect, the unit formerly termed a province. At its head was the intendant, the agent of the governor, appointed by the state (article 7). The *circondario* was essentially a sub-division of the province for administration by the state.

The *mandamento* remained the lowest judicial unit and was made to serve also as the electoral district in the distribution of seats in the provincial council (article 149). Whereas both communes and provinces were constituted as legal persons (*corpi morali*) with property rights, no such attributes were conferred on the intermediate units.

In the emergency which faced the Italian national movement after Villafranca the control by the central government over the local units was

<sup>9</sup>The enlarged Kingdom of Sardinia (Piedmont and Lombardy) was divided into 14 provinces as follows: Alessandria, Ancey, Bergamo, Cagliari, Ciampieri, Cremona, Cuneo, Genova, Milano, Nizza, Novara, Pavia, Sassari, Torino. See the table of territorial units, appendix to the law of 1859, *Collezione Ceterifera 1859*, pp. 1280-96.

actually increased. The king (in practice, the Minister of the Interior) was empowered to dissolve any of the local elected bodies, the provincial councils, or the communal councils (article 222). It was further stipulated (article 8) that:

"The Governors, the Vice Governors, the Intendants, and those who perform their functions may not be called to render account of the exercise of their functions except by the superior administrative authority; nor may they be subject to procedure for any act in the exercise of their functions without the authorization of the King subject to previous review by the Council of State."<sup>10</sup>

Revolutionary movements in all the minor states of the north—Parma, Modena, Tuscany, and the Romagna—followed the outbreak of the war of 1859. The nationalists seized control, and after the Peace of Villafranca they refused to permit the return of the princes or, in the Romagna, the restoration of papal rule. As a result of Villafranca, federalism was dead. The issue was simple: either incorporation by Piedmont or the restoration of the old regime and Austrian hegemony. When Cavour returned to power in 1860 he quickly made arrangements for the annexation of those territories, which had already begun to assimilate their institutions to those of Piedmont. Plebiscites were held (March 11 and 12); arrangements were made for the new provinces to elect deputies to parliament; and Piedmont took over the administration by appointing governors in accordance with the law of 1859. Cavour paid Napoleon III for his acquiescence by ceding Nice and Savoy.

The wholesale annexations in central Italy gave an enormous impetus to the unitary movement which now embraced most of the Italian nationalists. The Garibaldian expedition to Sicily and

the South followed. The Red Shirts overran the island and then proceeded to attack the mainland forces of Naples. When Garibaldi's forces were temporarily checked Cavour again secured the assent of Napoleon III for action by Piedmont. The royal army under Cialdini, which was sent south, defeated the papal army at Castelfidardo (September 18, 1860). The regular troops then continued the war against Francis II (King of the Two Sicilies, 1859–61). By February 13, 1861 the campaign was ended.

Cavour had already sent his agents, as lieutenants with exceptional powers,<sup>11</sup> in the wake of Garibaldi's irregular army. Even before the completion of the campaign, plebiscites were held in Sicily and Naples (October 21, 1860) and in the Marches and Umbria (November 4 and 5, 1860), which went overwhelmingly for annexation by "the constitutional monarchy of King Victor Emmanuel II".

The territorial unification of Italy was an extraordinarily rapid process. In less than 18 months (July 1859 to January 1861) the House of Savoy extended its rule from Sardinia-Piedmont, a small state with about 6 million people, to most of Italy with a population of 21 millions. Only two parts of the peninsula remained unredeemed: Venetia, still a part of the Hapsburg Empire, and Rome, the last remnant of the Papal State. Cavour, the great architect of Italian unity, died suddenly on June 6, 1861, leaving the unfinished business of establishing the institutions of the new state.

By the simple process of extension the *Statuto* became the constitution of united Italy. Local government was, however, at the time of Cavour's death, the most difficult of all the problems. The people of Naples, of Sicily, even of central Italy, were utterly different from the northerners. It cannot be too much emphasized for the sake of an understanding of modern Italy that the *Risorgimento*, the whole movement for national unifica-

<sup>10</sup>The Council of State (*Consiglio di Stato*) was established by the edict of Aug. 18, 1831, issued by Charles Albert. It originally consisted of three sections: (1) interior, (2) grace, justice, and ecclesiastical affairs, and (3) finance. In the pre-constitutional period it served as an advisory council to the king and as a kind of court of administrative law. By article 83 of the *Statuto* the king reserved the right to reorganize the Council of State. By the legislative decree (No. 3707) of Oct. 30, 1859 it was reorganized, the third section being made a court of administrative law. See F. Racioppi and I. Brunelli, *Commento allo statuto del regno*, 3 vols., Turin, 1909, III, pp. 740–41.

<sup>11</sup>Such a lieutenancy (*luogotenenza*) is not to be confused with the office of Lieutenant General of the Realm (*Luogotenente Generale*), a kind of regency instituted for the whole kingdom during a temporary absence of the king. The lieutenants sent by Cavour were really extraordinary commissioners with full powers limited to certain territories. See Racioppi and Brunelli, *op. cit.*, I, pp. 560–61.

tion, was the work of a small fraction of the total population.<sup>12</sup> That element, composed particularly of the upper bourgeoisie and liberal nobles, was fairly wide-spread and powerful in the North. In the South, however, there was scarcely any middle class. Those in Sicily and Naples who flocked to Garibaldi's banner (after his victories) hoped for jobs in the new order or for some personal advantage.

Immediately after the first flush of the triumph of unity the reaction set in. As Cavour said, "To harmonize North and South is harder than fighting Austria or struggling with Rome". The South was cursed with terrible poverty and corruption, the heritage of centuries of misgovernment, and with the greatest crime ratio in all Europe. The influential classes, the landlords and the priests, were Bourbonist in their sympathies and were opposed to unity. When some of the landlords gradually came to accept the idea of national unity it was only on the condition that their powers and privileges be maintained. That development, however, still lay in the future. The Sicilians, who had a distrust for the mainland and an ancient hatred of Naples, clamored for home rule. Throughout the whole of the South there came in the spring and summer of 1861 certain dangerous symptoms of reaction.

Garibaldi had favored a temporary dictatorship for holding Sicily, and his followers gained positions of power following his conquest. Cavour's attempt to govern the islands by means of lieutenants met with disaster: He had to recall his appointees, who were forced to flee from Palermo. The *Mafia*, a secret criminal society, which had started in the first part of the nineteenth century to combat the Neapolitan Bourbons

and had become entrenched after the conquest by Garibaldi, continued to flourish as an expression of Sicilian mistrust and defiance of the central government.<sup>13</sup>

On the mainland the situation was, if anything, worse. The Vatican and the dispossessed Bourbons encouraged a great outburst of brigandage. The Piedmontese, who were sent down to govern the southerners, were utterly antipathetic to them: they were regarded with an attitude not much different from that of our own South toward the carpet-baggers. Ponza di San Martino, a Piedmontese, whom Cavour had sent as his lieutenant in Naples, found that the force of 5,000 regular troops was quite insufficient to deal with the violent elements. When his request for more men was denied he resigned (July 12, 1861). When the new outburst of violence in August was followed by the sending of General Cialdini with plenty of regulars, a savage series of small campaigns ensued. Possibly two or three thousand brigands were shot or hanged. D'Azeglio, a leading Italian nationalist and Cavour's predecessor as President of the Council of Ministers (1849-52), blurted out the remark: "The Neapolitans do not want us and we have no right to stay there."<sup>14</sup>

#### *The Plans of the Leaders for Local Self-Government*

What was acute in the South was present in some degree in all the newly annexed territories. The Lombards objected to the immediate introduction of Piedmontese law; the Tuscans tried to postpone the process in their land. All the great leaders of the Piedmontese-Italian parliament recognized the extraordinary difficulties of creating one government out of such heterogeneous elements. Cavour was a firm believer in decentralization. In July 1860 he had Farini, Minister of the Interior, draw up a scheme of local government. Farini's project called for the formation of rather large local areas called "regions", but their boundaries were not to be co-terminous with the former states

<sup>12</sup> Guglielmo Ferrero speaks of them as the Jacobins of Italy: "The new Piedmontese Government was strengthened by those intellectual Italians who were forced to emigrate from their country. It procured the assistance of France and of all those *déclassés*, discontented men, rebels, heroes, and maniacs who abound in a country so fertile in great men, criminals, and fanatics as Italy. But the conquest once achieved, the Jacobin State found itself in the same straits as in the French Revolution—that is to say, they had to *enforce* by violent means a regime of liberty on a country that was, as a whole, indifferent or adverse; to establish the minority rule in the name of popular sovereignty; to substitute their own protective system for that of the Church." *Militarism*, Boston, 1903, p. 244.

<sup>13</sup> Bolton King, *op. cit.*, II, p. 188; for the *Mafia* see Leopoldo Franchetti and Sidney Sonnino, *La Sicilia nel 1876*, 2 vols., Florence, 1877, I, pp. 121 ff; Francis M. Guericio, *Sicily, the Garden of the Mediterranean*, London, 1938, pp. 64-75; Cesare Mori, *The Last Struggle with the Mafia*, London, 1933.

<sup>14</sup> Bolton King, *op. cit.*, II, pp. 190, 223, 226.

which had just been annexed. It would have been too dangerous for the new national government to recognize the boundaries of the old states. The regions were to be administrative areas: within each the province was to be the real unit of local government, with the chief control over roads, public health, rivers, secondary education, and the more important charities vested in elective councils.<sup>15</sup>

Meanwhile the problem of holding the South had grown acute, and to the advocates of national unity the demand for local autonomy seemed merely a guise for attempts to undo their work. Minghetti, who succeeded Farini as Minister of the Interior, drew up a bill for local government in November 1860. It was something like Farini's scheme. There were to be communes and provinces (just as in old Piedmont and as in France). But in each of those units locally elected councils were to have large powers. The communal council was to elect the syndic; the provincial council was to be independent of the prefect who would represent the central government. A group of provinces was to constitute a region. The government of the region was to comprise a governor and a council whose members were to be elected by the provincial councils. The governor, as a kind of viceroy, would control the prefects of his region, with no appeal beyond his authority. The region would have powers over higher education, roads, public works, and agriculture. The Minghetti bill, just like the scheme of Farini, wished to cut across the old boundaries in order to give no opportunity to separatists. So dangerous, however, was the sentiment against the new unity that Cavour dared not push the bill. The question was left hanging in the air at Cavour's death.<sup>16</sup>

Bettino Ricasoli (President of the Council of Ministers, June 1861 to March 1862), who succeeded Cavour, was a Tuscan, proud of the traditions of his native land and fearful of its being melted down in the unification of the peninsula. Once in power, however, and faced with the formidable problem of governing the South, he

quickly dropped his belief in local autonomy. He forced his unwilling colleagues in the cabinet to accept a scheme of local government that was closely copied from France.

*The Ricasoli Decrees on the Organization of Local Government (1861)*

Once again parliament granted the executive the power to legislate on the forms of local government. The Decree Law (No. 249) of October 9, 1861, by extending the application of the law of 1859, equalized and made uniform throughout the whole kingdom the system of administration. At the same time certain modifications were made in the earlier law, the chief one of which was the abolition of the office of vice governor.<sup>17</sup>

On the same day, October 9, a Royal Decree (No. 250) was issued which contained the following provision:

"In all the Provinces of the Kingdom the Governors and the Intendants General shall assume the titles of Prefects, the Intendants of the *Circondari* shall be termed Sub-Prefects, the members of the Executive Council of the Governor, or of the Executive Council of the Intendant, shall be called Councilors of the Prefecture (*Consiglieri di Prefettura*)."

Italy was divided into 59 provinces, identical in form except for variations in numbers of the provincial council, which varied, in accordance with the law of 1859, in proportion to the population.<sup>18</sup> Piedmont—that dynastic military state—had organized its administrative system closely on that of France of the *ancien régime*. The House of Savoy, having absorbed Italy, took over the Napoleonic system of administration, including the very names of the officials, prefects and sub-prefects.

Two basic factors were responsible for this decision: the military-diplomatic situation and the domestic problem. Italian unity was not completed at this time since Venetia and Rome had still to be won. The years 1859 to 1866 were a period

<sup>15</sup> Brusa, *op. cit.*, p. 23; Bolton King, *op. cit.*, II, p. 193; Arbib, *op. cit.*, II, p. 713.

<sup>16</sup> Bolton King, *op. cit.*, II, pp. 194-95; Arbib, *op. cit.*, II, pp. 714-17.

<sup>17</sup> The law was signed Oct. 9 and published in the *Gazzetta Ufficiale*, Oct. 10, 1861. Text in full in *Collezione Celerifera delle leggi, decreti, istruzioni e circolari pubblicate nell'anno 1861*, Turin, Part II, 1861, pp. 2040-41.

<sup>18</sup> The 59 provinces are listed in Royal Decree 250, Oct. 9, 1861, *Collezione Celerifera*, 1861, II, pp. 2042-43.

of life-and-death struggle of the new Italian state. It faced the alternatives of completing the process of unification or being smashed to pieces in the attempt. Yet it was in that emergency period that the basic legislation of modern Italy was devised. It was thought at the time that it could be only a provisional system, a temporary dictatorship. As Jacini wrote:

"The task of legislation, of administration, and of finance, in the presence of the occupation by the menacing Austrian Empire of the fortresses of the Quadrilateral, is comparable to the work of General Tottleben, who constructed the fortifications of Sebastopol within range of the cannon of the allies".<sup>19</sup>

The nationalists recognized that a new war would have to be waged against Austria to gain Venetia and that the country would have to prepare for that war. Rome would also have to be annexed to carry out the pledge of parliament that the Eternal City would become the national capital. Pius IX, who was determined to maintain the temporal power, hoped to undo Italian unity. Francis II, the deposed king of Naples, fled to Rome, where the Pope welcomed him. Thus the problems of completing Italian unity and of maintaining the hold of the North on the South became merged. The threat to Italian unity was in all three points: Rome, Venetia, and the South. As long as Emperor Francis Joseph held Venetia he was still an Italian prince: he regarded united Italy as an ephemeral creation without legitimate basis and hoped to get back Lombardy. He would probably have acted if the loss of Lombardy had not forced him in 1860 to reorganize his domains and make concessions to the Hungarians.

The Pope, whose army had been destroyed at Castelfidardo, relied on the French garrison to maintain the papal government. The brigands and Bourbonists who kept the South in uproar could escape over the border into Rome and receive encouragement and arms. As long as the South was unsettled the Pope continued to appeal for intervention by the great powers. Pius IX desired particularly a joint action by the two Catholic powers, France and Austria, which would destroy the work of Victor Emmanuel II, "the Cisalpine usurper". United Italy had therefore to prepare

for war and centralize the administration as part of the preparation. Against Austria, Italy began to think of an alliance with Prussia.

In the South it had become clear that there were no local elements which could be relied upon for leadership under the national government. Had any scheme of local autonomy been granted the South the priests and landlords would have undone the work of unification. In essence, then, the adoption by the new Italian Government of the French system of extreme centralization was a recognition of the fact that unity was the work of a small minority. By means of the system of centralization the "elite" who forged united Italy devised a means of maintaining it and of maintaining themselves in power. It became known to the rest of the country as "Piedmontizing", and in historical formula it is known as "the royal conquest".<sup>20</sup>

#### *The Administrative Code of 1865*

In 1864 the Italian Parliament took up the work of codifying the laws for the new kingdom and of establishing a uniform financial system. At the same time it prepared a consolidated law on local government. That was a large order; and the legislature was faced with a great variety of other problems arising from the recently consummated unification. The proposal was therefore made that the ministry be empowered to publish certain fundamental laws and the more important codes, subject only to the limitation that summary bills, outlining the main provisions, be approved by parliament. The ministers hastened to utilize this blanket authorization conferred on them on November 19, 1864. Although committees had prepared elaborate reports and considerable discussion on the measure had taken place in each branch of the legislature, the text of the new law on communal and provincial administration was the work of the ministry, which retained the right of the government to interfere in the affairs of the communes and to alter the boundary lines of local units regardless of local wishes.<sup>21</sup>

<sup>19</sup> Stefano Jacini, *I Conservatori e l'evoluzione naturale dei partiti politici in Italia*, Milan, 1879, pp. 61-62.

<sup>20</sup> Luigi Sturzo, *Italy and Fascism*, New York, 1926, pp. 20, 287.

<sup>21</sup> Arbib, *op. cit.*, III, pp. 226-28.

With the issuance of the law of March 20, 1865 (No. 2248) the pattern of centralized control over the administration was fixed.<sup>22</sup> Suggestions had been made during the course of the parliamentary discussions to limit the control of the central government over the communes. The same motives, however, which had prompted the nationalists in the cabinet in 1859 and in 1861 to adopt a system of extreme centralization, prompted the nationalists in parliament to retain it. Parliament's work was little more than approval and systematization of the earlier regulations which had been established by royal decree. In absorbing Italy, Piedmont left none of the institutions of the other former states, left none of the boundaries of the old governments, and permitted none of the new units to function except under the veto of the central power.

### III. Local Government in United Italy: Effects of Centralization in the Operations of Politics (1865-1922)

#### LEGISLATION OF THE NEW PERIOD

Venetia was annexed to Italy as a result of the war of 1866. The administrative system was promptly extended to the new territories, except that the units of territory corresponding to the *circondari* were termed *distretti*. Then with the annexation of the Roman territory in 1870 the total number of provinces was increased to 69 and remained fixed at that figure until 1914. There were at this date 284 *circondari* and 1,806 *mandamenti*. The number of communes was actually reduced from 8,381 in 1871 to 8,323 in 1914.<sup>23</sup>

The basic pattern fixed in 1865 was retained throughout the whole period. The most important modifications were those of 1891 and 1896, the first permitting the election of the syndic by all communes of more than 10,000 persons and the second extending the election of the syndic to all communes. The last comprehensive law (*testo unico*) of the pre-war period was that of 1908.

<sup>22</sup> Text in *Collezione Celerifera 1865*, Part I, pp. 706-7. The law on communal and provincial government, *Alligato A*, in *Collezione Celerifera 1865*, Part II, *Supplemento*, pp. 5-54.

#### THE SYSTEM OF LOCAL GOVERNMENT

In the pre-war period each province was divided into *circondari*, which in turn were divided into *mandamenti*. One or more communes constituted a *mandamento*. The determination of boundary lines of all the units pertained to the central government. All existed on the basis of a delegation of power by the Government of Italy.<sup>24</sup>

The province had a dual character. It was an area of the state, intended to render the action of the executive power rapid, vigorous, and simultaneous in all parts of the kingdom. For that purpose it was the seat of the various local administrative agencies of the central government, headed by the prefect. As the representative of the central power the prefect supervised public security and had the authority to call in the armed forces. At the same time the province was also a legal person (*corpo morale*) with the function of providing for those local interests which were beneath those of the state but broader than purely municipal concerns.

The *circondario* (and likewise the *distretto* of Venetia) was purely an area of state administration, intermediate between province and commune. It had no elective administration, nor was it a legal person, although it might own property. In each *circondario*, except that in which the prefect resided, the executive power was represented by a sub-prefect.

The *mandamento* was the unit of judicial administration and the seat of the *pretore*. Lists of jurors were composed on the basis of the *mandamento*, which served also as an electoral district in the distribution of seats in the provincial council.

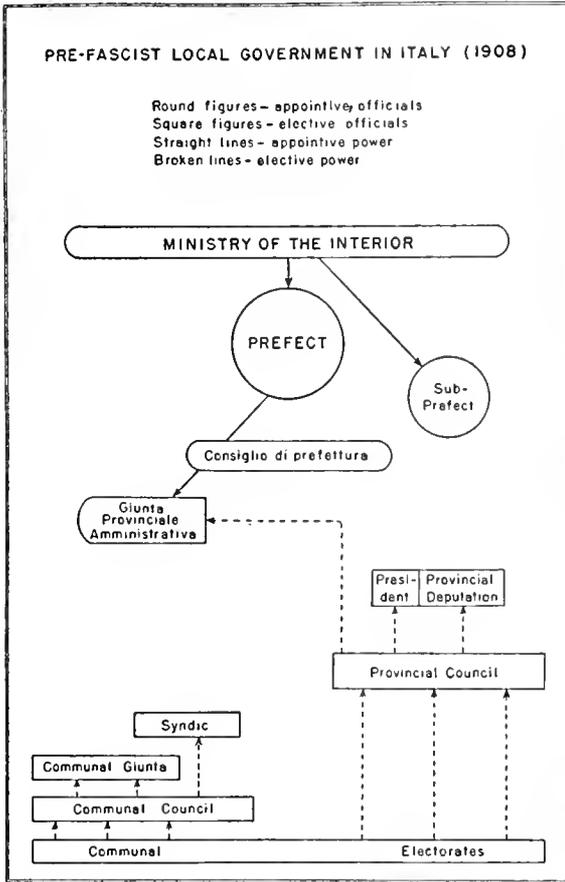
The commune represented a natural and organic society, recognized rather than created by law, although, as noted above, the powers of a communal government were purely a delegation from the state.

<sup>23</sup> "Circoscrizione," *Enciclopedia Italiana*, X, p. 413.

<sup>24</sup> The following description is largely based on the work of Racioppi and Brunelli, *op cit.*, III, pp. 594-618. See chart on local government according to the law of 1908, *post*, p. 416.

PRE-FASCIST LOCAL GOVERNMENT IN ITALY (1908)

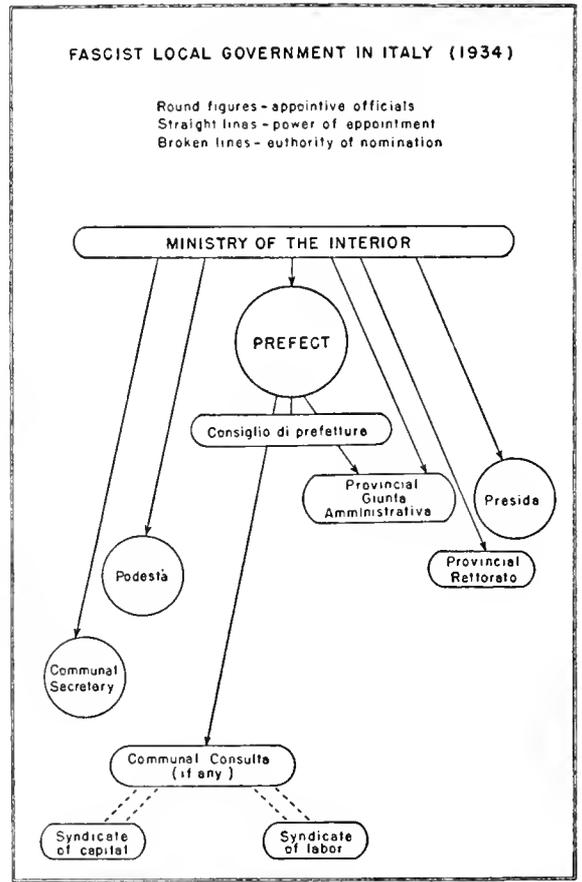
Round figures - appointive officials  
 Square figures - elective officials  
 Straight lines - appointive power  
 Broken lines - elective power



Drawn in Ge. Oct. 3, 1934. 1472 D

FASCIST LOCAL GOVERNMENT IN ITALY (1934)

Round figures - appointive officials  
 Straight lines - power of appointment  
 Broken lines - authority of nomination



Drawn in Ge. Oct. 3, 1934. 1473 D

## COMMUNAL GOVERNMENT

Communal government was on a uniform pattern throughout Italy. Its organs were the council, the *giunta* (executive committee), and the syndic. Each commune had also a secretary (*segretario*).

The council members were chosen by an electorate somewhat broader than that for parliamentary elections. The elections usually were held after the spring session of the council and never later than the month of July. The voting was by *scrutinio di lista* with limited vote, i. e. each voter could vote for a list of candidates for four fifths of the total number of seats in the council, thus assuring a degree of proportional representation. Disputes concerning elections went first to the communal council, then on appeal to the *giunta provinciale*, thence to the court of appeal (*corte d'appello*), and finally to the fourth section of the Council of State. Communal and provincial elections usually aroused much more interest and the participation of a larger proportion of the electorate than the parliamentary elections.

The numbers composing the communal council varied with the population according to the following scale:

POPULATION OF COMMUNE	NUMBER OF COUNCILORS
Less than 3,000 . . . . .	15
3,000-10,000 . . . . .	20
10,000-30,000 . . . . .	30
30,000-60,000 . . . . .	40
60,000-250,000 . . . . .	60
More than 250,000 . . . . .	80

A councilor was elected for a term of six years. One third of the council membership was renewed every two years. The council usually held two annual sessions of about 15 days each, one in the spring and one in the fall, over which the syndic presided, and the sessions were usually open to the public. In the spring session it examined the accounts for the administration of the preceding year; in the fall session it voted the budget, selected the auditors (who could not be members of the *giunta*), chose the commissioners for revision of the electoral lists, and elected the *giunta*.

The communal *giunta* was the executive committee of the communal council, chosen by it from among its own members, according to the following scale:

POPULATION OF COMMUNE	NUMBER OF MEMBERS
Below 3,000 . . . . .	4
3,000-30,000 . . . . .	6
30,000-60,000 . . . . .	8
60,000-250,000 . . . . .	12
Over 250,000 . . . . .	14

The syndic was an *ex officio* member of the *giunta* and presided at its meetings. Functions of the *giunta* consisted of representing the council in the intervals between its sessions and of supervising the lesser officials of the commune. Its sessions were secret.

As contrasted with the communal council and *giunta*, which were organs of purely communal affairs, the syndic had a dual function: He was both the executive head of the commune and an official of the state. Until 1891 he had been named by the central government, technically by the king, but in practice by the Minister of the Interior. After 1896 all communes were permitted to elect their syndics.<sup>25</sup> That reform came as a reaction against the use of royal appointment as a means of electoral influence in the hands of the local deputy. The syndic, according to the law of 1908, was elected by the council by secret ballot from among its own members for a term of 4 years and was indefinitely reeligible.

As chief of the local administration the syndic presided over the council and over the *giunta*. As an official of the state he published the laws and decrees of the government and supervised their local application. For certain specified causes the prefect might annul the election of a syndic. The king could remove him, or the prefect could suspend him. In addition to its controls over the syndic, the Government had the power, through the prefect, to dissolve the municipal council.

## PROVINCIAL GOVERNMENT

In accordance with its dual character the province had two sets of officials: Those who provided for the local interests devolving on it as a legal person and those national officials who functioned in the province as an area of state administration.

<sup>25</sup> The concession of the right to elect the syndic in all towns came as a reaction against the dictatorship of Crispi, which was ended by the defeat of Adua, Mar. 1, 1896. A circular of the Ministry of the Interior, Mar. 16, requested the communal councils to nominate their syndics for confirmation by the Government. See *Collezione Celerifera 1896*, I, p. 600. The formal legal change was made by the law of July 29, 1896, No. 342.

The local organs were the provincial council and the provincial deputation (*deputazione provinciale*). The organs of state administration operating within the province were the prefect, the council of the prefecture (*consiglio di prefettura*), and the provincial administrative giunta (*giunta provinciale amministrativa*).

The provincial council was elected by those persons entitled to vote in communal elections. The *mandamento* constituted the electoral district. Contested elections might be appealed to the court of appeal (*corte d'appello*) and thence to the fourth section of the Council of State. The size of the council varied according to the following scale:

POPULATION OF PROVINCE	NUMBER OF COUNCILORS
Less than 200,000 . . . . .	20
200,000-400,000 . . . . .	40
Over 600,000 . . . . .	60

A councilor was elected for a term of six years and was indefinitely reeligible, but one third of the membership was renewed every two years. Ordinarily the provincial council held a single session each year, usually beginning in August and lasting for about one month. It elected its officials (for one-year terms) from its own membership: the president, vice president, secretary, and vice secretary.

Functions of the provincial council consisted of administering the public buildings and property owned by the province, of supervising contracts made in its name, and of providing for secondary education, poor-relief, provincial roads, and works on rivers and streams which were allocated to the province. It also chose commissioners to supervise provincial elections and elected the provincial deputation.

The provincial deputation (*deputazione provinciale*) constituted the executive organ of the provincial council. Until 1888 the prefect was *ex officio* president; thereafter the president was elected by the council from among its own members. In addition to the president the provincial deputation had a membership according to the following scale:

POPULATION OF PROVINCE	NUMBER OF COUNCILORS
Less than 300,000 . . . . .	6
300,000-600,000 . . . . .	8
More than 600,000 . . . . .	10

The provincial deputation, in carrying out the

functions ascribed to it, represented the provincial council in the intervals between its sessions; provided for the execution of decisions by the provincial council, supervising the employees of the provincial government; prepared the provincial budget; stipulated contracts for the province; and presented its views to the prefect when called upon to do so. In judicial matters the president of the deputation acted in the name of the province as a legal person, signing the necessary documents.

Parallel to the local organs of the province as a quasi-autonomous unit were the national officials who operated within the province as an area of national administration. But since the province and its communes enjoyed only a limited autonomy, the national officials exercised also a general supervision over the province and the communes.

The prefect was the chief official of the Government. His primary task was to provide for the execution of the laws and the decrees of the state. He was appointed technically by the king, but in practice by the Minister of the Interior. In each *circondario* other than the one in which he himself resided, the orders of the prefect were executed by the sub-prefect (*sotto-prefetto*).<sup>25</sup> Although he was primarily dependent on the Minister of the Interior at Rome, the prefect was also the local agent and representative of the other ministries concerned with internal affairs.

The council of prefecture (*consiglio di prefettura*) assisted the prefect as agent of the state. It was composed of the leading functionaries serving the prefect.

The *giunta provinciale amministrativa* was a mixed body whose function was to assist the prefect in the exercise of his tutelage over the administration of the communes. Its composition was as follows: the prefect, who presided at its meetings; two members from the council of prefecture, designated by the prefect; one deputy member (*consigliere supplente*) of the council of prefecture; and four members and two deputies chosen by the provincial council but from outside its own membership.

The chief task of the provincial administrative giunta was the supervision of the action of the communes in the management of their real property.

<sup>25</sup> In the *distretti* of the provinces of Venetia and Mantua the *sotto-prefetto* was termed the *commissario distrettuale*.

The tutelage, supervision, and interference of the central government in local affairs remained excessive, despite the very significant reforms of 1891 and 1896. For a variety of reasons the prefect might annul the election of the syndic. Furthermore the prefect was authorized to suspend the syndic, and the king (actually the Minister of the Interior) might remove him from office.<sup>27</sup> The prefect had great powers over both the communal council and the provincial council: he could annul any decision of either contrary to the law, and he might dissolve either council. In case of such a dissolution a new council was to be elected within three months. When a communal council or a provincial council was dissolved, an extraordinary commissioner (*commissario straordinario*) was appointed to manage its affairs.<sup>28</sup>

#### THE EFFECTS OF THE SYSTEM OF CENTRALIZED ADMINISTRATION IN THE OPERATIONS OF ITALIAN POLITICS (1865-1922)

Once the system of centralized administration was adopted, it proved too useful to whatever group was in power for any government to dream of abolishing it. It was used by the old Right until their overthrow in 1876; it was used by the Left when they came to office; it was an essential part of the dictatorships of Crispi (1893-96) and of General Pelloux; and it was the mainspring of Giolitti's machine. The results of the system were notorious: it led to a perversion of parliamentary government; it tended to destroy local initiative, to deprive local elements of political experience, and to bring an oppressive uniformity as a substitute for unity; it facilitated a constant exploitation of the South by the North, which was combined with the general system of exploitation of the poor by the wealthy; and it led to constant protests and occasional open revolt.

#### THE PERVERSION OF PARLIAMENTARY GOVERNMENT

The prefect, in whose hands was the administration of the province, was appointed by the Minister of the Interior, i. e. by the party in power.

<sup>27</sup> Law of 1908, No. 269, articles 142, 144, Racioppi and Brunelli, *op. cit.*, III, pp. 606-07.

<sup>28</sup> In the five-year period 1907-12, there were 640 municipal councils dissolved "for grave reasons of public order". Dissolutions of provincial councils were less frequent: only five of these were ordered in the same period, *Annuario statistico italiano*, 1912, p. 74.

He quickly developed into a political official of primary importance. When Ricasoli in 1867 ordered a dissolution of parliament he directed the prefects to work the elections.<sup>29</sup> Then when the Left gained control of the ministry in 1876, the practice was continued and extended.

Master of the province, the prefect was the slave of Rome.

"By hints to a commune regarding the administrative action he might take, if electoral results showed that the commune accepted his advice, he exercised a far-reaching pressure upon the voting. There was no limit to his power of interference in the administration of finance, education, public works, the very keeping of the peace. He could become an unmitigated despot if he would."<sup>30</sup>

It was the system which forced the illicit political action on the prefects. If a man of character refused to interfere in the elections within his province, he was temporarily suspended and had to wait either for a new appointment or for a cabinet crisis.<sup>31</sup> Ordinarily, however, it was taken for granted that the prefect would use all his influence to secure the election of the ministerial candidate. By means of police and administrative control the opposition could be prevented from holding meetings or from conducting other forms of electioneering. If necessary the ballot boxes could be stuffed or the returns could be falsified. In 1892, in order to help the ministry win the election, 46 of the 69 prefects were dismissed or transferred to other provinces.<sup>32</sup> In Crispi's period undesirable voters were often arrested on false charges on the eve of elections and were kept locked up until the ballots were counted. In Sicily the gangs of the Mafia were used to terrorize the voters.<sup>33</sup>

The operation of parliamentary government in Italy thus developed into a caricature of the English system. The Italian constitution appeared as a "monstrous connubium" of British parliamentarism with French administrative centraliza-

<sup>29</sup> Bolton King, *op. cit.*, II, pp. 307, 334.

<sup>30</sup> Henry Russell Spencer, *Government and Politics of Italy*, New York, 1934, p. 206.

<sup>31</sup> Luigi Villari, *Italian Life in Town and Country*, New York, 1903, pp. 217-18.

<sup>32</sup> A. Lawrence Lowell, *Governments and Parties in Continental Europe*, 2 vols., Boston, 1896, I, p. 169, n. 2.

<sup>33</sup> Bolton King and Thomas Okey, *Italy Today*, London, 1901, pp. 16, 121-22.

tion.<sup>34</sup> In England the dissolution of Parliament and the holding of a new national election is a genuine "appeal to the country", because the central government scarcely interferes in local affairs, and the ministry is in no position to manipulate the voting.<sup>35</sup> In Italy, however, a dissolution of Parliament meant the signal to the prefects to see that the party or parties who ordered the dissolution were returned to office.

One result of the use of the administrative officials of the state to influence parliamentary elections was that the Church confirmed its boycott of the parliamentary system. The *Non Expedit*, the papal prohibition on Catholics to participate in parliamentary elections, was formulated in 1867 and was frequently renewed, as it became clear that the state itself manipulated its elections. It was argued, not without reason, that if Catholics as such attempted to enter parliamentary politics, they would not be given a fair chance. In turn, the absence of the clericals from party politics in Italy tended to rob the country of a real conservative party. Those who entered parliament were, so to speak, all from one party which consequently divided into groups and factions.<sup>36</sup>

The extreme centralization of administration concentrated decisions on even the most minor details in the offices of the ministries at Rome, particularly the Ministry of the Interior and the Ministry of Public Works. The minister, however, was himself under the constant pressure of the deputies. If he offended too many, the cabinet would be overthrown by the chamber. Parliament thereby tended to become "a market place for bargains between the King's Government and the constituencies" rather than the ultimate platform for airing and sifting policy. Regionalism had been completely banished in the administrative system by the destruction of the old states and the creation of the new artificial provinces. It reappeared triumphant in the bosom of parliament itself in

the form of cliques and groups who acted together for the purpose of securing from the central government local appropriations and benefits.<sup>37</sup>

#### THE DESTRUCTION OF LOCAL INITIATIVE

The destruction of the old historic states of Italy and the creation of the artificial provinces as units of administration tended to destroy local initiative. As was noted earlier, the Minister of the Interior named the syndic in every town in Italy until 1891. Even after the reforms of 1891 and 1896, the central government retained extraordinary controls over the most minute aspects of local affairs. The result was apoplexy at the center and paralysis at the extremities. The central government was charged with thinking and providing for everything, "even to the naming of the beadle of the high school and the doorkeeper of the sub-prefecture". The fate of every citizen and the decisions on his affairs devolved exclusively on the ministerial officials of the capital.

The officials who represented the central government in the provinces could do little themselves. Deprived of real responsibility, they simply transmitted petitions and requests to the ministries at Rome. The replies from Rome were considered as evidence of omniscience and omnipotence. The lack of decentralization, either territorial or institutional, reduced the benefit of liberty simply to the power of speaking one's thoughts and to the satisfaction of choosing the all-powerful deputy to Parliament. Since everything was in the hands of the central power, the citizens ran to their deputy for everything, in order that he might bring pressure on the ministry:<sup>38</sup> that in Italy, whose medieval cities had been the first in Europe to devise and practice communal self-government!

"This system dried up the springs of local energy, those springs that had produced the men of the *Risorgimento*, and sapped the power of tradition, one of the greatest sources of moral strength a people can have. . . . When the pioneers of liberalism have passed from the scene, most of the other men of Italy, now a kingdom, came forward as parvenus with a narrow outlook. Thus the first expression of the thought, literature, and art of that time was restricted and provincial, and the period in comparison with the great periods

<sup>34</sup> Jacini, *op. cit.*, p. 67; Vilfredo Pareto, *La libertà economica et les événements d'Italie*, Lausanne, 1898, pp. 32-33.

<sup>35</sup> Cecil J. S. Sprigge, *The Development of Modern Italy*, London, 1943, p. 49.

<sup>36</sup> Lowell, *op. cit.*, I, p. 206. The *Non Expedit* was partially relaxed in 1904 and 1909. Not before 1919, however, did Catholics participate in politics on a national scale. See D. A. Binchy, *Church and State in Fascist Italy*, Oxford, 1941, pp. 61-65.

<sup>37</sup> Sprigge, *op. cit.*, p. 49; Jacini, *op. cit.*, pp. 74, 135.

<sup>38</sup> Jacini, *op. cit.*, pp. 67-68, 130.

of the past was known as that of Italietta—'Little Italy'. Those men had wished to cut away the roots of communal tradition and the vitality of the regions . . . they had centralized all vitality in the Government which became the center of intrigues and jobbery, and they failed to perceive that they had thrown away one of the vital forces of the new kingdom."<sup>39</sup>

The centralized political structure brought with it a very oppressive and often unwise uniformity. A single code of laws was imposed on the whole state (1865). That code did not encounter so much difficulty as might have been expected, since the codes of all the different Italian states had been greatly influenced by the Code Napoléon. However, in the confiscation and sale of ecclesiastical and crown properties, in the laws regarding forest lands and communal properties, the application of laws which were perhaps well-designed for North Italy proved harmful in the South. The sudden introduction of conscription into Sicily (which had never known the institution) greatly augmented the number of outlaws and produced a curious kind of feeling of affection for the lost cause of the Bourbons.

#### THE EXPLOITATION OF THE SOUTH BY THE NORTH

The greatest single problem in Italian internal politics after unification was the difference between North and South, or, as it was called, the problem of the South. In the period immediately after the achievement of unity, it was Piedmont that supplied the dominating elements in the army and in the government. Since the frontiers lay in the North, in that section were built the strategic railways. In the distribution of public works, the North got the greater share. But in the process of unifying Italy, the Kingdom of Sardinia transferred its heavy public debt to the whole country. The public debts of the annexed states were relatively light. In other words, Piedmont forced the rest of Italy to pay for its conquest.<sup>40</sup> Another aspect of national policy which bore particularly heavily on the South was the tariff. Until 1878, Italy was a country of comparatively free trade and with very little industry. The bulk of her exports were agricultural. The fusion of North

and South in 1861 had tended to destroy the beginnings of industry in Naples and the South. Then under the tariff the protection was for industry which was concentrated in the North, particularly in the triangle, Turin-Genoa-Milan. The moderate tariff revision of 1878 was followed in 1887 by a tariff war with France, which had hitherto been Italy's best customer. The value of the Franco-Italian trade dropped to less than half; and for the 10-year period of this tariff war, it was the agricultural South which suffered most acutely.

In the manifold system of exploitation of the South by the North, the political structure of rigid centralization was an essential part. Although in the first period after unification the dominant class of the South—the landlords—remained aloof and opposed to unity, that opposition gradually weakened with the passing of time. After the coming of the Left to power (1876) they began to accept united Italy as a fact. Their cooperation, however, was based on the preservation of their own dominant social and economic position. It is those elements, the latifundia owners and long-term leasers (*gabellotti*), who have dominated politics in southern Italy. Time after time, investigations have been undertaken by parliament and its committees of the deplorable conditions of the South-Italian peasantry.<sup>41</sup> No effective action has ever followed such investigations because of the political control maintained by the landlord class. Whatever the names of the parties, the South remained conservative, an inexhaustible reservoir for every reaction, always sending a flock of deputies obedient to the government.<sup>42</sup>

#### PROTESTS AND CRITICISMS AGAINST THE SYSTEM OF CENTRALIZATION

The system of extreme centralization has been an object of bitter protest ever since its inception. The war of 1866 was not yet finished when Sicily broke into revolt and Palermo had to be recon-

<sup>39</sup> See Robert F. Foerster, *The Italian Emigration of Our Times*, Cambridge, 1924, pp. 64-82, for a careful description of the South in the period before the first World War. Franchetti and Sonnino, *op. cit.*, is a leading study of the 70's. A mass of material is contained in *Atti della giunta per la inchiesta agraria e sulle condizioni delle classi agricole*, 15 vols., Rome, 1881-86.

<sup>42</sup> Michels, *op. cit.*, p. 47.

<sup>39</sup> Sturzo, *op. cit.*, p. 21.

<sup>40</sup> Pareto, *op. cit.*, pp. 21-23; Robert Michels, *Italien von Heute*, Zürich and Leipzig, 1930, pp. 44-46.

quered by the royal army.<sup>43</sup> In Sicily the popular distrust and suspicion of the central government was such that the police and jury system produced only a travesty of justice. The Mafia became the real power in the island, settling accounts in its own way. The boycott of the courts and police was practically universal—no native would inform the police or testify in court. The official government was merely a sham. After the Mafia became entrenched the government made use of it to secure the return of ministerial candidates.<sup>44</sup>

Italian critics have constantly deplored the defects of extreme centralization. As noted earlier the system of local government was accepted by parliament only with misgivings, and it was the hope that once the foreigner was expelled and unity was achieved, the central government would be able to relax its rigid supervision of local affairs. The various schemes which were proposed in Parliament in the critical period of the movement of Italian unification (1859-65) were based on the idea of recognizing the regions as the natural component parts of Italy. In the decades which followed the completion of unity the Lombard conservative, Stefano Jacini, called for the formation of a truly conservative party with a program of decentralization. He insisted that the mere granting of maximum autonomy to the existing units, the communes and provinces, would not be a solution of the problem. Between the functions of the state and the affairs of the commune was a complex of matters which were broader in scope than provincial boundary lines, such things as public works, public instruction, agriculture, industry, and commerce. Any real program of decentralization, he insisted, would have to be regional.<sup>45</sup>

At the turn of the century, Luigi Villari (who by no means could be called radical) wrote:

"Among the reforms of a general character in the local administration, one which has been frequently suggested is to abolish the provinces. The whole country should be divided into sixteen large divisions (*regioni*), each of which would be ruled by a governor and a council having wider powers than

the present provincial authorities, and able to make different laws and regulations, according to the special needs of each district. Although the proposal has found favour in many quarters, it has never been seriously discussed in Parliament, owing to the fear of weakening the bonds of national unity. But now that the danger is less pressing, it is probable that a project of this sort will eventually be accepted."<sup>46</sup>

At the end of the first World War, which gave conclusive proof of the strength of the Italian national state, there was a wide-spread agitation for regional autonomy, and many of the parties demanded regional decentralization. The Sicilians raised their old cry for home rule. In Sardinia was formed the *Partito Sardo*, demanding autonomy for the island. The *Partito Popolare*, led by Don Sturzo, was perhaps the chief advocate of regional decentralization, but it is interesting to note that even the early Fascist Party (of 1919-20) advocated decentralization of the executive power.<sup>47</sup>

A committee was named to consider the problem of administrative decentralization, and Parliament was assured (April 7, 1921): "Now that the national unity is beyond any discussion, it will be possible to proceed to a rational decentralization which will limit the intervention of the state to the services of a national character."<sup>48</sup>

The next year, 1922, came the Fascist *coup d'état*.

#### IV. Local Government under Fascism (1922-43)

##### LEGISLATION SINCE 1908

Just prior to Italy's entrance into the first World War, the law of 1908 was superseded by the law of February 4, 1915 on communal and provincial government.<sup>49</sup> This codified text "represented the

<sup>43</sup> Luigi Villari, *op. cit.*, pp. 226-27.

<sup>47</sup> Sturzo, *op. cit.*, p. 100.

<sup>48</sup> *Relazione della commissione parlamentare d'inchiesta sull'ordinamento delle amministrazioni di stato e sulle condizioni del personale*, Rome, 1921, p. 14.

<sup>49</sup> No. 148, printed in full in *Manuale ad uso dei deputati al parlamento nazionale*, XXVIII legislatura, Rome, 1929, pp. 445-567.

<sup>43</sup> Bolton King, *op. cit.*, II, pp. 323-26.

<sup>44</sup> Luigi Villari, *op. cit.*, pp. 8, 230.

<sup>45</sup> Jacini, *op. cit.*, pp. 134, 138.

last step in a long process aimed at securing to local bodies the largest possible degree of independence from interference on the part of the central government".<sup>50</sup> Certain minor modifications were made in the system by the law of December 30, 1923, about a year after the Fascist "March on Rome".<sup>51</sup>

In his first two years of office Mussolini did not make any great changes in the constitutional system but operated through existing forms. The prefects had offered little opposition to Fascism's attack after the vital lines of communication had been seized. By securing appointment as Minister of the Interior, Mussolini gained control over the prefects. They were ready tools for Fascism because they were already accustomed to pay more attention to the political powers in Rome than to the law. Having been Rome's electoral agent, the prefect now became the local factotum of Fascist Rome. For a brief period the Fascists experimented with military prefects; but after their conquest of power was completed, the prefects began to be chosen from tried and true Fascists, regardless of their experience.<sup>52</sup>

The Fascist Party was able to "win" the parliamentary election of 1924, held in accordance with the notorious Acerbo electoral law, by using the administrative apparatus which was in their power. The abuses committed by the Fascist government at this time were not new and unprecedented. They represented only an extreme extension of the old abuse of governmental manipulation of parliamentary elections.

As long as there was a parliament, however, it was possible to criticize the conduct of Mussolini. After the Matteotti affair in 1924, the Duce began the reorganization of the state on a totalitarian basis, and local government was subjected to a series of drastic changes. The law of February 4, 1926 empowered the government to appoint the *podestà* (the Fascist name for the syndic) in all

communes of less than 5,000 population.<sup>53</sup> At the same time the prefect was empowered to appoint two thirds of the members of the local councils. The Royal Decree Law of September 3, 1926 extended the institution of the appointive *podestà* to all communes in Italy except Rome and Naples.<sup>54</sup> The two laws of December 27, 1928 eliminated the last vestiges of electionism in provincial government. On March 3, 1934 a new codified text was issued on communal and provincial government which embodied all the Fascist changes.<sup>55</sup>

#### THE FASCIST SYSTEM OF LOCAL GOVERNMENT

This was the system of local government as embodied in the law of 1934. The former intermediate units, the *circondari* and *mandamenti*, were abolished. Article 17 declares: "The Kingdom is divided into provinces and communes." The number of provinces, which was increased to 75 in 1922, was further increased to a total of 94 at the time of the census of 1936, the last to be held.<sup>56</sup> The communes at that time numbered 7,339.

#### COMMUNAL GOVERNMENT

Except Rome, which was given a peculiar status, all communes in Italy were governed according to the same pattern. The organs of communal government were three: the *podestà*, the communal secretary, and the communal consultative council (*consulta*).

The *podestà* was the executive officer of the commune, occupying the position of the former syndic and combining the functions of representative of

<sup>50</sup> No. 237, printed in full in *Manuale ad uso dei deputati*, 1929, pp. 643-47. The medieval and modern significance of the term *podestà* is discussed by Lester K. Born in "What is the *Podestà*?" *The American Political Science Review*, XXI, 1927, pp. 863-71.

<sup>51</sup> No. 1910, text in full in *Manuale ad uso dei deputati*, 1929, pp. 648-52.

<sup>52</sup> The following description is largely taken from the article by H. Arthur Steiner, "Italy", in *Local Government in Europe*, edited by William Anderson, New York, 1939, pp. 307-80. An English translation of the law of 1934 is printed by Steiner, *op. cit.*, pp. 339-80. For a diagram of the relations of the officials according to the Fascist system, *ante*, p. 416.

<sup>53</sup> For a list of the provinces at the present day (census of 1936) see table, *post*, p. 426.

<sup>50</sup> Carlo Rossi, "Local Government in Italy under Fascism", *The American Political Science Review*, XXIX, 1935, p. 659.

<sup>51</sup> Royal Decree 2839, printed in full in *Manuale ad uso dei deputati*, 1929, pp. 568-614.

<sup>52</sup> Spencer, *op. cit.*, pp. 206-7.

# ITALY: REGIONS AND PROVINCES



the state and of head of the communal administration. He was appointed by the king for a term of four years. He could be removed from office by the king and was subject to suspension by the prefect. A city with a population between 20,000 and 100,000 might have one *vice-podestà*, and in case a city were larger than 100,000 there might be two assistants. The *vice-podestà* were appointed by the Minister of the Interior.

The communal secretary was the official who handled most of the routine business under immediate responsibility to the *podestà*. He was locally chosen, on the basis of special qualifications and examinations, and enjoyed the status of a "functionary of the state", the chief permanent civil-service officer of the commune. His formal appointment, however, was from the Minister of the Interior.

The communal *consulta* took the place of the elective council of pre-Fascist days. The *podestà*, however, had the power of local legislation, and the *consulta* was restricted to offering him advice. The number of members of the communal advisory council varied according to the following scale:

POPULATION OF COMMUNE	NUMBER OF COUNCILORS
Over 100,000 . . . . .	24-40
10,000-100,000 . . . . .	10-24
Less than 10,000 . . . . .	6-10

The precise size of the *consulta* of any given commune was determined by a decree of the prefect. The prefect also appointed the members after receiving nominations from the local syndical associations representing capital and labor. The council was formally appointed for a term of four years, but it was subject to suspension by the prefect, or to dissolution by the Minister of the Interior. The communes which were less than 10,000 in population might have councils, but only if the prefect judged it desirable. Under the law of 1934, less than 10 percent of the communes had councils.<sup>57</sup>

PROVINCIAL GOVERNMENT

The five organs of provincial government in the Fascist system were the prefect, the council of the prefecture or prefectural council, the administrative *giunta*, the president (*preside*), and the rectory (*rettorato*).

The prefect was substantially the same official as before with some additional powers. He acted, as before, under the immediate supervision of the

Minister of the Interior but was also the agent for other ministries such as those of Public Works, Finance, and Corporations.

Before 1927 considerable rivalry existed between the prefect and the *federale*, the provincial secretary of the Fascist Party. Mussolini's circular of January 5, 1927, however, declared the prefect to be "the highest authority of the State in the province" and urged the Fascist Party officials to cooperate, in subordination to the prefect. The chief additions to the powers of the prefect were in his powers of appointment.

The prefectural council consisted of two members in addition to the prefect appointed to advise him in his capacity as representative of the central power. Associated with this organ was an "inspection service" controlling the provincial and communal administrations.

Under Fascism the affairs of the province as a legal entity, which formerly devolved on the provincial council and deputation, were conferred on the rectory (*rettorato*) and the *preside*. The rectory varied according to population:

POPULATION OF PROVINCE	NUMBER OF MEMBERS
More than 600,000 . . . . .	8
300,000-600,000 . . . . .	6
Less than 300,000 . . . . .	4

Those representatives of the province were, however, no longer elected but were appointed by the Minister of the Interior. The rectory was also subject to suspension by the prefect and to dissolution by the Minister of the Interior.

From among the members of the rectory were chosen the president and vice president. The rectory and its president constituted "the provincial administration".

Even though the provincial administration was strictly appointive, the central power maintained extensive controls. The provincial *giunta* was the chief organ for the exercise of this control and for supervision of the communes as well. It was composed of the prefect, who summoned it and presided over its sessions; the two members of the prefectural council; the chief provincial inspector; and four members of the Fascist Party, nominated by the Secretary of the Fascist Party, and formally appointed by the Minister of the Interior.

<sup>57</sup> H. Arthur Steiner, *op. cit.*, p. 317.

## SIGNIFICANCE OF THE FASCIST CHANGES IN THE ADMINISTRATIVE SYSTEM

Comparison of the Fascist system with the previous system of local government reveals the application of three principles: the abolition of elections, the substitution of appointive for formerly elective officials, and the integration of the Fascist Party into the political structure. The most serious change was the abolition of elected communal and provincial councils, which in the earlier period had displayed considerable vitality. The revival of the term *podestà* with appointment by the central government was merely a return to the condition which had existed before 1891. The office of prefect was not much changed.<sup>58</sup> He was under Fascism what he had been before—the chief power in the province and the representative of the state. But because elections were no longer held, his powers were more directly expressed. As Mussolini declared, “the Fascist prefect is not the prefect of the demo-liberal days. Then the prefect was primarily an electoral agent. Now that there is no longer talk of elections, the form and figure of the prefect change.”<sup>59</sup>

The Fascist changes were, indeed, radical. From 1861 until 1915 there had been a gradual development of autonomy in the communes and provinces, based on the exercise of increased powers by locally elected councils and executive officers. Fascism swept this development away and carried centralization to an absurd degree. Fascism considered it to be one of its principal tasks to fight regionalism whatever its manifestations. Freed of the pressure of an alert public opinion, many of the *podestà* saddled the communes which they governed with heavy debts. The budgets of the communes ceased to be published under Fascism. Under the old system one of the chief arguments for the retention of the power of interference of the government in communal affairs was the tendency of the communes toward reckless expenditure. Under the Fascist system, however, the abuse was even

worse. Between 1926 and 1935 the total debt of the communes was increased by several billion lire. Many loans were contracted in the United States on comparatively unfavorable terms.<sup>60</sup>

Harsh as were the Fascist changes in the system of local government, it must be recognized that in a larger sense those changes were merely an extreme extension of the fundamental feature of the old system: concentration of power in the Ministry of the Interior. The original system of local government of the Kingdom of Italy was designed to extinguish regionalism, to prevent any local element from opposing the national policy. It was designed to enable a minority to exercise effective political control over the whole nation. Its effects, as Jacini observed, were financially disastrous: instead of aiding the accumulation of wealth, it sucked up the savings of farmers and artisans for the sake of high policy as conceived in the cities. The Fascist system was designed to serve essentially the same purposes. It prevented any local protest against the burdens imposed on Italy for the sake of the dream of a new Roman Empire.

TABLE OF LOCAL GOVERNMENT UNITS IN ITALY<sup>61</sup>

PROVINCES	NUMBER OF COMMUNES	POPULATION
<i>Piemonte</i>		
Alessandria . . . . .	165	493, 698
Aosta . . . . .	107	227, 500
Asti . . . . .	105	245, 764
Cuneo . . . . .	205	608, 912
Novara . . . . .	142	395, 730
Torino . . . . .	181	1, 168, 384
Vercelli . . . . .	165	366, 146
	<hr/> 1, 070	<hr/> 3, 506, 134
<i>Liguria</i>		
Genova . . . . .	66	867, 162
Imperia . . . . .	53	158, 565
La Spezia . . . . .	32	222, 080
Savona . . . . .	68	219, 108
	<hr/> 219	<hr/> 1, 466, 915

<sup>58</sup> “He [the prefect] has always been in a dominating position: Mussolini has only made him more so, analogous in the province to the Head of the Government.” Spencer, *op. cit.*, p. 205; see also Rossi, *op. cit.*, p. 663.

<sup>59</sup> Circular of Jan. 5, 1927, as cited by Steiner, *op. cit.*, p. 323.

<sup>60</sup> Rossi, *op. cit.*, pp. 660–61.

<sup>61</sup> *Annuario Statistico Italiano*, 1938, pp. 13–14, census of 1936. (Names of the *Compartimenti* are italicized.)

TABLE OF LOCAL GOVERNMENT UNITS IN  
ITALY—Continued

PROVINCES	NUMBER OF COMMUNES	POPULATION
<i>Lombardia</i>		
Bergamo . . . . .	218	605, 810
Brescia . . . . .	171	744, 571
Como . . . . .	210	501, 752
Cremona . . . . .	110	369, 483
Mantova . . . . .	70	407, 977
Milano . . . . .	246	2, 175, 838
Pavia . . . . .	180	492, 096
Sondrio . . . . .	79	142, 919
Varese . . . . .	116	395, 896
	<hr/>	<hr/>
	1, 400	5, 836, 342
	<hr/>	<hr/>
<i>Venezia Tridentina</i>		
Bolzano . . . . .	92	277, 720
Trento . . . . .	127	391, 309
	<hr/>	<hr/>
	219	669, 029
	<hr/>	<hr/>
<i>Veneto</i>		
Belluno . . . . .	69	216, 333
Friuli (Udine) . . . . .	171	721, 670
Padova . . . . .	105	668, 025
Rovigo . . . . .	48	336, 807
Treviso . . . . .	90	570, 580
Venezia . . . . .	43	629, 123
Verona . . . . .	93	585, 893
Vicenza . . . . .	125	559, 375
	<hr/>	<hr/>
	744	4, 287, 806
	<hr/>	<hr/>
<i>Venezia Giulia e Zara</i>		
Carnaro (Fiume) . . . . .	13	109, 018
Gorizia . . . . .	42	200, 152
Istria (Pola) . . . . .	41	294, 492
Trieste . . . . .	30	351, 595
Zara . . . . .	2	22, 000
	<hr/>	<hr/>
	128	977, 257
	<hr/>	<hr/>
<i>Emilia</i>		
Bologna . . . . .	61	714, 705
Ferrara . . . . .	20	381, 299
Forlì . . . . .	50	444, 528
Modena . . . . .	46	467, 555
Parma . . . . .	51	381, 771
Piacenza . . . . .	47	294, 785
Ravenna . . . . .	18	279, 127
Reggio nell'Emilia . . . . .	45	375, 288
	<hr/>	<hr/>
	338	3, 330, 058

TABLE OF LOCAL GOVERNMENT UNITS IN  
ITALY—Continued

PROVINCES	NUMBER OF COMMUNES	POPULATION
<i>Toscana</i>		
Arezzo . . . . .	38	316, 380
Firenze . . . . .	49	853, 032
Grosseto . . . . .	24	185, 801
Livorno . . . . .	19	249, 468
Lucca . . . . .	35	352, 205
Massa e Carrara . . . . .	17	196, 716
Pisa . . . . .	38	341, 428
Pistoia . . . . .	21	210, 950
Siena . . . . .	36	268, 459
	<hr/>	<hr/>
	277	2, 974, 439
	<hr/>	<hr/>
<i>Marche</i>		
Ancona . . . . .	43	372, 229
Ascoli Piceno . . . . .	72	303, 869
Macerata . . . . .	57	290, 057
Pesaro e Urbino . . . . .	58	311, 916
	<hr/>	<hr/>
	230	1, 278, 071
	<hr/>	<hr/>
<i>Umbria</i>		
Perugia . . . . .	59	534, 359
Terni . . . . .	30	191, 559
	<hr/>	<hr/>
	89	725, 918
	<hr/>	<hr/>
<i>Lazio</i>		
Frosinone . . . . .	89	445, 607
Littoria . . . . .	27	227, 218
Rieti . . . . .	63	174, 961
Roma . . . . .	109	1, 562, 580
Viterbo . . . . .	59	236, 722
	<hr/>	<hr/>
	347	2, 647, 088
	<hr/>	<hr/>
<i>Abruzzi e Molise</i>		
Aquila degli Abruzzi . . . . .	103	365, 716
Campobasso . . . . .	127	399, 065
Chieti . . . . .	99	374, 727
Peseara . . . . .	42	211, 561
Teramo . . . . .	45	249, 532
	<hr/>	<hr/>
	416	1, 600, 631
	<hr/>	<hr/>
<i>Campania</i>		
Avellino . . . . .	114	451, 466
Benevento . . . . .	90	349, 707
Napoli . . . . .	137	2, 192, 245
Salerno . . . . .	145	705, 277
	<hr/>	<hr/>
	486	3, 698, 695

TABLE OF LOCAL GOVERNMENT UNITS IN  
ITALY<sup>1</sup>—Continued

PROVINCES	NUMBER OF COMMUNES	POPULATION
<i>Puglie</i>		
Barl . . . . .	47	1, 010, 907
Brindisi . . . . .	20	254, 062
Foggia . . . . .	59	523, 612
Jonio (Taranto) . . . . .	27	321, 888
Lecce . . . . .	91	526, 553
	<hr/> 244	<hr/> 2, 637, 022
<i>Lucania</i>		
Matera . . . . .	32	166, 776
Potenza . . . . .	91	376, 486
	<hr/> 123	<hr/> 543, 262
<i>Calabrie</i>		
Catanzaro . . . . .	155	606, 364
Cosenza . . . . .	136	587, 025
Reggio di Calabria . . . . .	88	578, 262
	<hr/> 379	<hr/> 1, 771, 651
<i>Sicilia</i>		
Agrigento . . . . .	41	418, 265
Caltanissetta . . . . .	22	256, 687
Catania . . . . .	53	713, 160
Enna . . . . .	20	218, 294
Messina . . . . .	89	627, 093
Palermo . . . . .	76	890, 752
Ragusa . . . . .	12	223, 086
Siracusa . . . . .	19	277, 572
Trapani . . . . .	20	375, 169
	<hr/> 352	<hr/> 4, 000, 078
<i>Sardegna</i>		
Cagliari . . . . .	118	507, 201
Nuoro . . . . .	88	224, 643
Sassari . . . . .	72	302, 362
	<hr/> 278	<hr/> 1, 034, 206
TOTAL . . . . .	7, 339	42, 993, 602

## THE FOREIGN SERVICE

### Legation at Luxembourg

The American Legation at Luxembourg was opened to the public on October 2, 1944.

## The Polish Situation

[Released to the press by the White House October 11]

The President made the following remarks on the occasion of his meeting on October 11, 1944 with officials of Polish-American organizations:

"I am glad of the opportunity I have had to talk about the present position of Poland in the war and about the future of Poland. You and I are all agreed that Poland must be reconstituted as a great nation. There can be no question about that.

"Of course we should all bear in mind that nobody here has accurate information about everything that is going on in Poland. Even I, as President of the United States, with access to all the information which is available, am not fully informed of the whole story. As an example, I still do not know all the facts about the recent events in Warsaw. As new information comes every day, we will get a clearer picture about the whole situation.

"The broad objective which we all seek is excellent. I am certain that world opinion is going to back up that objective—not only to reconstitute Poland as a strong nation but also as a representative and peace-loving nation. I wish to stress the latter. It is very important that the new Poland be one of the bulwarks of the structure upon which we hope to build a permanent peace."

## German Atrocities in Poland

[Released to the press October 10]

The United States Government has been informed by the Polish Government that it has received reliable information that German officials in Poland are making plans for the extermination of tens of thousands of innocent persons of Polish and other United Nations nationalities as well as Jewish deportees from areas under German control who are now held in concentration camps, particularly those at Brzezinki and Oswiecim.

The United States Government takes this occasion to warn again the German Government and Nazi officials that if these plans are carried out those guilty of such murderous acts will be brought to justice and pay the penalty for their heinous crimes.

# Public and Private Foreign Trade

*Address by* BERNARD F. HALEY<sup>1</sup>

[Released to the press October 11]

During this war the Government of the United States has found it necessary to intervene in foreign trade, as it has in the domestic economy of the country, in a way and to an extent that would not have been regarded as possible five years ago.

Exports have been licensed, imports channeled to essential items, shipping rationed and allocated, financial transfers blocked, and certain foreign firms proclaimed as out of bounds for trading purposes. The Government has controlled the movement of goods into and out of the country and has directly conducted a large part of the movement through its own agencies. To a large extent the controls have been merged, through the Combined Boards, with the similar controls of Great Britain and of Canada.

The business community has cooperated loyally with these controls, as it has with the equally extensive controls of domestic business. It has been generally recognized that if we were to win the war as rapidly as possible we must make absolutely sure that resources be denied the enemy, that they be made available to us and our Allies, that inflation be avoided, and that the limited supplies and services available be applied to the best uses from the single point of view of military victory.

The quality and volume of equipment now in the hands of our armed forces and those of our Allies is the best proof that the job has been well done. War supply to fighting fronts has never been so good on any side in any war as it now is on our side in this one. Every part of the economy of many countries shares the credit for this effort. The reward will be the victory toward which we are now moving at an accelerating pace.

With that inevitable victory coming closer, the question is, Where do we go from there? Specifically, in the field of foreign trade, should our

national policy be to demobilize controls and to discontinue public trading as rapidly as possible, or should controls and public trading be continued for some purpose beyond military victory? Should the Government stay in business in peacetime as an importer and exporter, or should it get out as soon as possible?

There is only one possible answer to that question. The preference of the American people for private initiative and management in the conduct of most business enterprise has been made clear many times and has never been clearer than at the present moment. This preference extends to foreign trade. Indeed it is if anything clearer in that field than in others.

There are two reasons why this preference for private enterprise in the conduct of our foreign trade is clearly right. In the first place, since foreign trade is an integral segment of our total economic life, it would be very hard for government either to conduct or to apply detailed controls to the foreign sector without doing the same thing to the domestic part of the same trade. The present war has furnished many illustrations. In those cases in which it has been found necessary to control the imports of a commodity, it has frequently also been necessary to allocate the imported supply among users. In such cases the agency administering the control has had to decide who needed the article, how much they needed, what domestic supplies were available, and how much of the demand could and should be filled from each source. If the product were an important raw material these decisions, and the allocations based upon them, have very largely determined the rate of operation of the industry and of each enterprise within it, the rate of operation of domestic suppliers of the same material, and their prices. Private initiative and competition have had to express themselves chiefly in petitions to the regulating agency. Where the Government fixed export quotas the situation has been much the same. Total quotas have had to be broken down, and the participation of each enterprise in export has had to be fixed by the agency that fixed the total quota.

<sup>1</sup> Delivered before the Thirty-first National Foreign Trade Convention, New York, N. Y., Oct. 11, 1944. Mr. Haley is Director of the Office of Economic Affairs, Department of State.

That is not the way we want permanently to conduct private business in this country. If we want to retain private initiative and enterprise internally, we cannot afford to abandon it in foreign trading operations.

The other reason for our preference for private enterprise in foreign trade is even more important. Trade implies competition, and competition implies rivalries. When trading competition is confined to private firms, trade rivalries are likely to remain at levels which do not threaten to disturb relations among governments. But when two governments compete for the trade or the resources of some third country, it is impossible for anyone to forget the fact that the competitors have under their control weapons other than price and quality and service. I cannot believe that a general regime of foreign trading competition between governments is conducive to loyal cooperation in other fields between the same governments on which the peace depends.

It follows that the Government of the United States ought to retire, after victory, both from actual conduct of import and export operations and from the detailed regulation of our foreign trade. This is not just my own view, or just the view of the Department of State. It is the view of the executive departments and agencies concerned with the subject, and I am sure also of the Congress. You have already seen in the press, and experienced in your business operations, various actual moves in the direction of the relaxation of wartime controls.

The War Production Board has removed various important commodities from its import-control order M-63. The "decentralization" export-control procedure under the Foreign Economic Administration for destinations in the American republics has been progressively rolled back during the year as the shipping situation has improved. The "program license procedure" governing many exports to the British Empire, the Soviet Union, the Middle East, and French, Belgian, and Dutch possessions was discontinued on October 1. Both the War Production Board and the Foreign Economic Administration have made it clear that there will be further substantial relaxation of war controls immediately after victory in Europe. Each control is being regularly considered on its merits by the responsible agencies concerned, and the use

of each will be adjusted to the actual requirements imposed by the progress of the war.

About two weeks ago the President in a letter to Mr. Crowley, Administrator of the Foreign Economic Administration, said:

"With a view to encouraging private trade without interfering with the successful prosecution of the war against Japan, the FEA should relax controls over exports to the fullest extent compatible with our continuing war objectives, particularly that of defeating Japan as quickly and effectively as possible.

"International trade on as full and free a basis as possible is necessary not only as a sound economic foundation for the future peace, but it is also necessary in order that we may have fuller production and employment at home. Private industry and private trade can, I am sure, produce a high level of international trade, and the Government should assist to the extent necessary to achieve this objective by returning international commerce to private lanes as rapidly as possible."<sup>1</sup>

It is of course quite clear, however, that even final victory will not necessarily mean the immediate end of all import and export operations by the Government, or of all war controls. Obviously, if war supply is to continue full-blast until the enemy surrenders, as it should, the Government will end the war with substantial inventories and with substantial commitments both to suppliers and recipients. There must be an orderly liquidation both of inventories and commitments. Obviously, too, some things will be scarce for some time after victory, and export control of any commodity can hardly be released until the same commodity is freed from allocation and domestic rationing. Questions of timing will be difficult and critical. But it is the direction that counts, and that is clearly toward release of war controls and the retirement of the Government from foreign business operations, as rapidly as each practical situation will permit.

So much for our own wartime controls. Many countries are likely to take a corresponding course with theirs. But some countries have a different view, or different necessities, and their action may be different.

<sup>1</sup> BULLETIN of Oct. 1, 1944, p. 354.

Our Russian friends have a different view of economic organization from our own, and I take it to be clear that export and import trade of the Soviet Union will continue to be conducted directly by the state. I have no doubt that American businessmen will find it wholly possible to deal on a mutually satisfactory basis with the foreign trading organs of the Soviet Government, as they did before the war. A very large expansion of our Russian trade is a real and early possibility. The principal limiting factor will be the amount of dollars available to the Russians from their exports and otherwise.

The countries of western Europe have been under enemy occupation for four years. The destruction has been and will be enormous, both of docks, transportation, shipping, factories, and warehouses and of the equally important intangible structure of trade connections, confidence, and credit. The governments of these countries cannot let their peoples starve and are wholly likely to take temporary charge of many things themselves, especially of the imports of essentials. How long such public intervention may last there is no way of knowing. But the most effective way that I know of to influence European thinking in this matter is for us to take the lead in laying the groundwork for the earliest possible resumption of private trade after the war.

Great Britain occupies in this respect a position somewhere between our own and that of western Europe. Physical destruction has been heavy, and the scope of private foreign trade has been very sharply cut by war conditions and controls. But the main industrial and transportation plant of Great Britain is intact and so is British commercial experience and skill. We may expect, and will of course welcome, a prompt and great revival of British private foreign trade in all directions after victory.

Some of this trade the British Government may for a time find it necessary to control more closely than we expect to control ours. We all realize that the operations of British industry and the standard of living of the British people depend on large and continuous overseas supplies of raw materials and foodstuffs. For these and other imports Great Britain made payment in the past with the proceeds of her foreign sales and the

earnings of her merchant fleet and of her great investments overseas. The conduct of two wars has forced large liquidation of those overseas investments, and the sums which they formerly contributed to the settlement of British balances will be very much reduced after this war. In order to conserve exchange for the most necessary purposes the British Government may therefore find it necessary to restrict less essential imports. We hope that the period during which this may be necessary will not be long. We can contribute to its shortening by collaborating in common measures to reduce trade barriers throughout the world, to increase the productivity of undeveloped countries, and to promote full and prosperous employment. Freer trade in a more prosperous world will improve the prospects for British exports as well as for our own and will ease the British balance-of-payments position just as it will contribute to our own prosperity.

In one important field there is strong support in Great Britain for a continuation of the policy of the Government conducting a substantial import trade for some time after the defeat of Germany. The British Ministry of Food has performed splendidly during the war, and from the point of view of the common man and woman the experience of large-scale public purchase of overseas foodstuffs has been a most successful one. There is substantial British support for the continuation of such operations, and the Ministry has recently entered into bulk-purchase contracts for certain foodstuffs with the governments of some of the Dominions, running for some years. We cannot help thinking, however, that the fear of the scarcity of food after the war, which seems to be the major reason for these contracts, is not entirely justified. Wartime agriculture has demonstrated great productive powers in all areas except the scenes of actual military operations, and there is every reason to hope that the world's food supply will be more adequate in the future than before. British policy is obviously influenced by the desire to assure adequate supplies of basic foodstuffs at reasonable prices, but we hope that these bulk-purchase contracts do not represent a permanent preference for government trading. Our best argument, again, is to take the lead in a cooperative effort to bring about an expansion of private trade

as soon as possible and to demonstrate the superior effectiveness of private enterprise.

So much for war controls and government trading. Even after they are dealt with there still remain at every national frontier the old restrictions against trade: prohibitions, quotas, tariffs, currency controls, preferential systems, and the rest. If trade is to bring the benefits which it can bring, to us and everyone, we must redouble the efforts of the last 10 years for the reduction of these barriers.

## The Four Freedoms Award to the President

### REMARKS UPON ACCEPTANCE<sup>1</sup>

[Released to the press by the White House October 12]

For over twenty years we in America have watched with anxious eyes the steps taken by the Fascist gangsters to enslave the Italian people. The Italian people were thrown into an alliance they detested. They were ordered, against their will, to fight on the side of their traditional enemies against their traditional friends.

Mussolini, the would-be Caesar, underestimated the will of his people. Large numbers of them were brave enough to rally to our ranks. As part of the Allied armies, and behind the German lines, they have carried on our common fight for liberty.

The American Army—including thousands of Americans of Italian descent—entered Italy not as conquerors but as liberators. Their objective is military, not political. When that military objective is accomplished—and much of it has not yet been accomplished—the Italian people will be free to work out their own destiny, under a government of their own choosing.

The act of the Attorney General—removing the status of “enemy alien” from Italians—has been justified by their corresponding effort to help us wage war.

Of course, the people of Italy have suffered terribly, and it will not be humanly possible to take

This organization has supported Mr. Hull's efforts in that direction since 1934, and I am sure it will continue that support. Efforts in that direction will be more than ever needed now and after the war if we and the people of other countries are to attain and maintain the high levels of production, trade, and consumption which are capable of attainment and which are one of the important prerequisites for a peace that will last.

wholly adequate measures to relieve all suffering until Germany has been finally and decisively defeated. But the United Nations are determined that every possible measure be taken to aid the Italian people directly and to give them an opportunity to help themselves.

The civilian administration has been fully discussed by me with the British Prime Minister. The British Government is agreed that as the problem is great, so also is our responsibility to help.

The mails have been opened for letters to the liberated provinces. Facilities are now available for small remittances of funds from this country to individuals in Italy for their individual support. Shipments of food and clothing have been delivered. Normal life is being gradually introduced. We are taking every step possible to permit the early sending of individual packages by Americans to their loved ones in Italy. Our objective is to restore all avenues of trade, commerce, and industry, and the free exercise of religion, at the earliest possible moment.

I am deeply grateful therefore for this award. It represents your appreciation both of the problems and the efforts of the American Government.

The Charter from which this award takes its name—the Four Freedoms—is a firm bond between the great peace-loving nations of the world. To the people of Italy we have pledged our help—and we will keep the faith!

<sup>1</sup> Delivered by the President from the White House on Oct. 12. The radio presentation was made from New York in behalf of the Italian American Labor Council, assembled at a Columbus Day celebration in the Hotel Commodore, New York City.

# Concerning Cartels

Address by CHARLES BUNN<sup>1</sup>

[Released to the press October 10]

On September 8 last the White House released to the press the text of a letter from the President to the Secretary of State on international cartels, as follows:<sup>2</sup>

"During the past half century the United States has developed a tradition in opposition to private monopolies. The Sherman and Clayton Acts have become as much a part of the American way of life as the due process clause of the Constitution. By protecting the consumer against monopoly these statutes guarantee him the benefits of competition.

"This policy goes hand in glove with the liberal principles of international trade for which you have stood through many years of public service. The trade-agreement program has as its objective the elimination of barriers to the free flow of trade in international commerce; the anti-trust statutes aim at the elimination of monopolistic restraints of trade in interstate and foreign commerce.

"Unfortunately, a number of foreign countries, particularly in continental Europe, do not possess such a tradition against cartels. On the contrary, cartels have received encouragement from some of these governments. Especially is this true with respect to Germany. Moreover, cartels were utilized by the Nazis as governmental instrumentalities to achieve political ends. The history of the use of the I. G. Farben trust by the Nazis reads like a detective story. The defeat of the Nazi armies will have to be followed by the eradication of these weapons of economic warfare. But more than the elimination of the political activities of German cartels will be required. Cartel practices which restrict the free flow of goods in foreign

commerce will have to be curbed. With international trade involved this end can be achieved only through collaborative action by the United Nations.

"I hope that you will keep your eye on this whole subject of international cartels because we are approaching the time when discussions will almost certainly arise between us and other nations."

You will notice that the President's letter states two principal objectives, to eliminate the political activities of German cartels and to curb those cartel practices which restrict the free flow of goods in foreign commerce. I shall discuss briefly the second objective—that relating to the restrictions upon the free flow of goods in foreign commerce.

The term "cartel" has come to be used commonly to describe a wide variety of business organizational schemes, private trade agreements, and collusive arrangements, any of which has the effect of restraining competitive trade. In this sense the term "cartel" is almost synonymous with "monopolistic." More specifically, however, a cartel may be described as an agreement among rival business firms, often in the same line of business, entered into for the primary purpose of reducing or eliminating competition. The members of the cartel carry on business separately for their own profit, but they act together in deciding such matters as the quantities and kinds of goods to be produced, the prices to be charged, and the particular parts of the market to be regarded as the exclusive domain of each of them. In short they organize their relations with their market, in agreement with each other, in the way which they think will best promote their own profit.

In the United States such arrangements among business competitors are clearly illegal under the Sherman Anti-trust Act. The illegality of cartel-like arrangements under the Sherman act was clearly established in a pioneer decision under the act almost 50 years ago. This decision, by Judge Taft

<sup>1</sup>Delivered before a meeting of the United Nations Association at Waterbury, Connecticut, Oct. 9, 1944. Mr. Bunn is Consultant in the Division of Commercial Policy, Office of Economic Affairs, Department of State.

<sup>2</sup>BULLETIN of Sept. 10, 1944, p. 254.

in the Addyston Pipe Case, is still the law with respect to this kind of activity in the United States. Competing businessmen may have association with each other for many proper purposes, but they may not lawfully reach agreements or make arrangements with each other concerning how much or what they will produce, or the prices they will charge, or the markets in which they will sell. Such practices would be regarded as in restraint of trade under the anti-trust laws. Through the anti-trust laws Congress has expressed the American policy of free competition in both our interstate and our foreign commerce. The purpose of the anti-trust laws has been clearly stated by Mr. Chief Justice Stone. In his decision in the Trenton Potteries Case, he said:

“Whatever difference of opinion there may be among economists as to the social and economic desirability of an unrestrained competitive system, it cannot be doubted that the Sherman Law and the judicial decisions interpreting it are based upon the assumption that the public interest is best protected from the evils of monopoly and price control by the maintenance of competition.”

The enforcement of the Sherman act and kindred laws is, as you know, the duty of the Anti-trust Division of the Department of Justice. Because of the very general character of the provisions of the act its effectiveness depends in no small degree upon the skill and vigor of its enforcement.

There is I think no doubt that the Sherman act has the support of the very great majority of American opinion, including business opinion. We are convinced that contracts in restraint of competition tend to reduce employment and production, to raise prices to consumers, to restrict the adoption of improvements both of product and of methods, to hold back the efficient, to prevent the entry of new firms, and to reduce the over-all effectiveness of business operations. The ideal of American business is success in open competition, not protection of vested interests in a soft berth. Combined with the system of free trade among the States under the Constitution, the scope and wealth of the national market, and the varied skills and talents of Americans, the Sherman act and its observances and enforcement have given us the largest, richest, and most competitive national market in the world. The benefits of the

system of competition are there for all to see, and we are not likely to abandon them for any other system, even though under certain special circumstances competitive activity must be supplemented or replaced by governmental control in the public interest. The President's statement which I have quoted—that the ideas of the Sherman act have become a part of the American way of business life—should be reemphasized.

The cartel problem becomes of current importance because of the fact that many other countries either do not agree with American views upon this problem or have been unable under past world conditions to adopt this kind of policy. In Canada and in most of the other countries of the Western Hemisphere existing policy and legislation is generally not unlike our own. But on the continent of Europe, and especially in Germany, another system of law and another business philosophy has prevailed for many years. Cartels have not been illegal in most European countries, and in some they have been actively supported by public authority. Although aggressive and compulsory use of the cartel characterized Nazi economic operations, cartels were strongly established in Germany, as well as in other European countries, long before the advent of Hitler. The ideal of business conduct and of business law on the continent of Europe has stressed security and stability rather than active and vigorous competition. The laws of many European countries have therefore sanctioned restrictive national and international cartels and have adopted more or less rigid state regulation of cartel and other business practices.

Great Britain occupies in this respect a position somewhere between the continent of Europe and ourselves. The English common law has condemned contracts in restraint of competition since the time of Queen Anne, but the condemnation has meant only that the courts would not enforce such contracts. No statute made them criminal and no Government department was charged with their prevention. English businessmen were free to enter into arrangements to restrict competition, and a good many such arrangements have existed.

The arrangements which other countries make for the management of their internal business affairs are of course their own business, even though they may be of concern to us indirectly through their impact on international trade. But the oper-

ations of cartels in international trade have faced American businessmen with two serious problems.

One problem relates to export markets. When an important foreign market is controlled by a cartel it may be very hard for American interests to make sales there unless they are prepared to come to terms with the cartel. This is particularly true if the cartel has the support of the foreign government concerned. It is partly for this reason that various American business interests have, or are alleged to have, entered into arrangements with cartels organized abroad.

Another point at which foreign cartel operations may be very damaging to American business interests is in the supply and price of raw materials. If a particular raw material used in American industry has to be imported from abroad, and if the supply is controlled by a cartel, American buyers may be required to pay prices above economic levels. This aspect of the cartel problem has been important in a number of essential materials including tin, rubber, quinine, and others.

International cartel operations, moreover, may seriously interfere with the public policy of governments. The United Nations have repeatedly emphasized that they propose to see what they can do to bring about increased production, employment, exchange, and consumption of useful goods throughout the world, and that as one means toward this end they propose to adopt measures for the reduction of barriers to international trade and the removal of discriminations. But in respect of any commodity which is controlled by a cartel the benefits which freer trading opportunities should bring to all of us might be much reduced or altogether prevented by restrictions engineered by the cartel.

For all these and other reasons the President has said, in the letter which I read before: "Cartel practices which restrict the free flow of goods in foreign commerce will have to be curbed." The sentiment of the people in the United States and the reflection of this sentiment in our Congress among members of both parties confirm the wide agreement on this policy.

The question is how to accomplish it. The Sherman act can deal with restrictive operations in this country, but obviously neither it nor any other American law can operate, as law, beyond our shores. The President's objective, as his letter says,

"can be achieved only through collaborative action by the United Nations", that is to say, by international negotiation and agreement.

The aim of our policy is clear. Although there are differences in tradition and experience in many other countries, there is increasing indication that others recognize the undesirable and even dangerous implications of following a cartel policy. The tradition of most of the countries of this hemisphere, as I said before, is not unlike our own. On the continent of Europe recent expressions of certain French leaders indicate a definite opinion that cartels have been bad for France. In Britain also there is a definite movement toward facing seriously the important issues which international cartels pose. In the important Cabinet White Paper "Employment Policy", laid before the Parliament in May of this year, appears the following passage:

"There has in recent years been a growing tendency towards combines and towards agreements, both national and international, by which manufacturers have sought to control prices and output, to divide markets and to fix conditions of sale. Such agreements or combines do not necessarily operate against the public interest; but the power to do so is there. The Government will therefore seek power to inform themselves of the extent and effect of restrictive agreements, and of the activities of combines; and to take appropriate action to check practices which may bring advantages to sectional producing interests but work to the detriment of the country as a whole."

The similarity of these expressions to the policy expressed in the President's letter of last September 6 is cause for real encouragement.

The attempt to curb the restrictive practices of cartels in international trade should of course not be thought of as something by itself. It is an integral and necessary part of the general effort to achieve an expanding world economy and an increased world trade. Trade may be restricted and prevented or pressed out of its natural channels, either by public regulation or by restrictive arrangements made by private interests. A realistic program looking to freer trade must take account of both.

*(Continued on page 438)*

# Post-War Trade Policy

*Address by* WILLIAM A. FOWLER<sup>1</sup>

[Released to the press October 11]

A comprehensive international trade policy suited to the needs and conditions of the post-war world is a high-priority item on the United Nations' agenda of unfinished business. Fortunately, we do not have to start from scratch. Since the passage of the Trade Agreements Act in 1934, the policy of the United States has been to expand private international trade on a nondiscriminatory, multilateral basis. The purpose of this policy has been to raise employment and living standards to higher levels. The same policy, with the same purpose, is stated in the Atlantic Charter, to which the governments of all the United Nations have subscribed, and in article VII of mutual-aid agreements with many of our Allies.

The trade agreements we made with 20 non-Axis countries—and Finland—before the outbreak of this war strengthened our economy, and theirs, by encouraging a two-way increase in trade. They also strengthened the bonds of friendship between the peoples of this country and those of other countries. During the war period we have concluded trade agreements with seven additional countries. All these agreements together cover a large area in which our international trade, particularly in time of peace, is protected and encouraged. They are symbols of a new America—an America aware of its place and of its opportunities, in an interdependent world.

There seems to be wide approval and support for the principles of the trade-agreements program as a basis for this country's post-war international trade policy. But there are still a few groups and individuals who would destroy completely both the program and the agreements concluded under it, or would saddle the program with weakening amendments. Just a few weeks ago a bill for outright repeal of the Trade Agreements Act before next June was introduced in the House of Representatives.

Some erstwhile isolationists, now self-styled nationalists, would take us back to the Hawley-Smoot days if they could manage to do so.

Others, blind to the ability of the vast majority of American producers to compete on a fair basis with all comers in the home market as well as abroad, oppose the trade-agreements program because they doubt our ability, as a nation, to face fair competition. They are men of little faith in the economic greatness of America.

These minority groups will bear watching in the critical weeks and months ahead. Their power is great in proportion to their numbers. They are organized to function quickly, quietly, and effectively in key places and at crucial times. No one interested in a dynamic post-war trade policy should allow himself to be lulled into a false sense of security of the seemingly general and overwhelming public support for such a policy. Vigorous action, now and for an indefinite time to come, is needed if we and our friends in other countries are to succeed in preparing the way for a substantial expansion of trade after the war.

The need for such an expansion of international trade is not a matter of abstract theory. Expert British opinion, for example, points to the need for a 50-percent increase of United Kingdom post-war exports to pay for imports at pre-war levels. This calculation takes into account the greatly reduced British income to be expected from overseas investments and from services; it does not take into account the possibility of financial assistance.

Here at home some 10 million men and women returning from the armed services, as well as millions now at work, will need productive peacetime jobs. Only through international cooperation can problems of such magnitude be solved satisfactorily. The levels of productive employment attained, here and elsewhere, will depend to a very important extent on what the nations do in the field of trade and trade barriers.

The necessary trade expansion will not be brought about merely by getting rid of unnecessary wartime trade restrictions and controls and by refraining from imposing new trade barriers after

<sup>1</sup> Delivered before the Thirty-first National Foreign Trade Convention, New York, N. Y., Oct. 11, 1944. Mr. Fowler is Chief of the Division of Commercial Policy, Office of Economic Affairs, Department of State.

the war. A formidable network of tariffs, quotas, exchange controls, cartel arrangements, and other trade barriers was in existence when this war broke out. This pre-war network of trade barriers, if allowed to stand unchanged, would prevent the rapid development of international trade to levels substantially higher than those attained prior to the outbreak of the war.

Similarly, post-war commercial policy built around the idea of importing raw materials in exchange for exports of finished goods would be entirely inadequate. In 1940, the value of our imports of raw materials, plus foods, such as coffee, tea, and the like, was equal to only about one third of the value of our exports. If every country adopted a lop-sided raw-material import policy, world trade would shrink, not expand. The United States and the United Kingdom, for example, both industrialized nations, have carried on a substantial and profitable two-way trade in manufactured products. It could have been much larger, to the benefit of all, had it not been for burdensome trade restrictions. A substantial increase in imports of manufactured specialties from other countries would not only help to raise our standard of living but also enable our foreign customers to pay for larger imports of many different kinds of things from us.

Some hold the view that if the United States manages, somehow, to achieve high levels of employment, production, and national income, our foreign trade will take care of itself, that it will increase automatically and mathematically as our national income rises. It is true that imports and exports are larger when the national income is higher, but they are not greater merely because national income has risen. Importers know, of course, that a high tariff can hold imports of a particular product down to a mere trickle even if national income rises sharply. The basic fallacy in this theory, however, is the failure to appreciate the fact that our international trade is a vital part of the national income and cannot be abstractly measured as a separate, or residual, aspect of that income. Our economy is indivisible; it is affected by both internal and external forces and by the interaction between these forces. Our international trade can be an important factor contributing to domestic employment, industrial activity, and farm prosperity.

One sure way to destroy rather than to expand our international trade after the war would be to resort to bilateral balancing of trade, intergovernmental barter deals, and other types of inherently discriminatory trade arrangements. Such arrangements multiplied during the inter-war period. We know that they destroy normal trade and generate international enmity. Going back to their use would be disastrous. Such arrangements violate the unconditional most-favored-nation principle which has been basic in United States trade policy since 1922 and is specifically written into the Trade Agreements Act. This principle has long protected our commerce in many markets of the world against discriminatory and unfair treatment. It has, furthermore, enabled us to avoid a great deal of friction in our general relations with other nations.

Assuming that there is general, and non-partisan, agreement that the basic principles embodied in the Trade Agreements Act should underlie our post-war trade policy, the main question is: How shall those principles be applied so as to bring about a substantial expansion of international trade over pre-war levels?

One thing is certain. Only a thorough-going attack on all forms of excessive and unreasonable trade restrictions, and on trade discriminations throughout the world, with as many nations as possible cooperating, will meet the requirements of the post-war world. Our strong economic position and great influence place the opportunity and the responsibility for leadership largely on the United States.

Our goal should be the establishment of an international trade policy which is an integral part of the whole system of international economic and security relationships toward which we and other like-minded nations are now working. Any such general system must provide for stability in international monetary and currency relations if we are to have conditions most favorable for the growth of trade. It must likewise provide for cooperation in regard to international investments, beyond the scope and interest of private enterprise, that assist in the economic growth of undeveloped areas. The plans for an International Monetary Fund and a World Bank, worked out at Bretton Woods, include such provisions.

International cooperation for the relief and rehabilitation of war-devastated countries, through

UNRRA and otherwise, has a direct bearing upon the future of international commerce. Only when devastated countries can again produce things which we and others wish to buy from them can they begin to pay us for the things we want to sell to them. The proposed Food and Agriculture Organization of the United Nations should help to improve the production, distribution, and consumption of agricultural, forestry, and fishery products and thus aid in raising living standards in all countries.

The proposal for a general international organization developed at Dumbarton Oaks includes as one of its purposes the achievement of international cooperation in the solution of international economic, social, and other humanitarian problems. It is pointed out that the international organization should seek solutions for these problems with a view to creating the conditions of stability and well-being which are necessary for peaceful and friendly relations among nations. It contemplates that specialized economic, social, and other organizations and agencies would have responsibilities in their respective fields, and that these agencies would be related appropriately to each other and to the general organization.

In the field of trade and trade barriers the United and Associated Nations should endeavor to reach early agreement on an effective program and organization. Such a program should include the reduction of trade barriers and restrictions, the elimination of harmful trade discriminations, the methods for dealing with difficult commodity problems, and the prevention of restrictive cartel arrangements and practices. The technical and other problems involved in such a comprehensive, cooperative approach can be solved just as others equally difficult have been and are being solved cooperatively in carrying on the war.

Public support which is general, intelligent, and active is one of the first essentials to success both in setting up a sound trade policy and in making it work. Americans who are engaged in foreign trade understand its principles and processes better than do many others. Groups such as those gathered here at the Thirty-first National Foreign Trade Convention can render a great public service by using their knowledge to help other Americans to understand the vital necessity for a sound international trade policy and the essential requirements of such a policy.

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**CONCERNING CARTELS**—*Continued from page 435*

All of us have a great stake in the freedom of business enterprise from unreasonable regulation. We depend on private business in all capitalist countries, not only for most of the employment by which we earn our living but for the supply of food, clothing, shelter, and many of the other physical necessities and amenities of life. To enable it to perform these great functions individual enterprise in peacetime must be reasonably free to make its own decisions in the open market, assume its own risks, take its own losses, and obtain its own rewards. We do not expect to see the end of public regulations—indeed some regulation of business competition has been a recognized necessity almost as long as business competition has existed. What we do expect to see after this war is, *first*, a gradual relaxing of the special emergency controls connected with the war,

and then, in respect of international commerce, which is all I mean to speak about, an organized concerted effort to reduce those elaborate restrictions and discriminations which so limited business decisions and so hampered business transactions across national frontiers in the years between the wars. And we will I hope agree that whatever restrictions on business liberty are necessary in the post-war years should be continued or imposed not by the decisions of private and interested groups, but by the public authority after due consideration of all the interests involved, including those of the consumer. The liberation of the world's trade from restrictions imposed by private and interested combinations is not only in accordance with American ideas, it is in accordance with the interests of common people in every country in which private enterprise is a part of economic life.

## Summary of Steps Taken by the Department of State In Behalf of American Nationals in Japanese Custody<sup>1</sup>

### PROPOSALS FOR THE EXCHANGE OF NATIONALS WITH JAPAN

In March 1944 the Department of State reopened, through the Swiss Government, the question of further exchanges of nationals with the Japanese Government. A complete plan was presented under which, on a reciprocal basis, accelerated exchanges might be made. In May 1944 the Japanese Government informed the Swiss Government that it would study this proposal. Since then the Department of State has done everything possible to obtain the Japanese Government's views in this matter and, deeply concerned about Japan's dilatory attitude, has also advanced further proposals, including one suggesting a series of continuous small-scale exchanges involving the use of available railroad connections between Japanese-held territory on the Asiatic Continent and the Soviet Union. Despite such efforts the Japanese Government has so far not shown a disposition to discuss this subject.

The reluctance of the Japanese Government to negotiate for further exchanges of nationals will not deter the United States Government from taking all necessary and proper steps to keep the question of such exchanges continually before the Japanese authorities and to be prepared to ensure the speedy execution of any further exchanges of whatever character to which Japanese agreement may eventually be obtained.

### SHIPMENT OF RELIEF SUPPLIES TO THE FAR EAST

The matter of the transportation to Japanese-held areas of the relief supplies now on Soviet territory for distribution to American and other Allied nationals in Japanese hands stands as follows: The Soviet Government has generally agreed to the additional conditions imposed by the Japanese Government (BULLETIN of Aug. 20, 1944, p. 179) and has granted permission for a Japanese ship to enter a Soviet port to take on the supplies. The Japanese ship will be accorded safe-conduct by the Soviet Government within Soviet waters and by the Allied military au-

thorities outside those waters. The United States Government has agreed to pay all costs connected with the transportation of these supplies to Japan and has confirmed to the Japanese Government the willingness of the United States fully to reciprocate in regard to the transportation and distribution of relief supplies sent by Japan for Japanese nationals in United States custody. It is hoped that as a result of these developments the supplies that have been so long awaiting onward shipment from Soviet territory will soon reach those for whom they are intended.

As regards subsequent shipments of relief supplies, the Soviet Government has again suggested to the Japanese Government that shipments be sent overland to Japanese-controlled territory if the Japanese Government fails to utilize the port named by the Soviet Government for this purpose. The United States Government for its part has urged the Japanese Government to use this means by which regular and continuous shipments can be made of supplemental foodstuffs, medicines, and clothing for American and other Allied nationals in Japan and Japanese-occupied territories.

In a further effort to bring aid to Americans through any means available, the American Red Cross is attempting to forward by the mail route through Tehran described below small packages containing concentrated vitamins and medicines of a sort which are thought to be scarce in the Far East. There are, however, no assurances that supplies so sent will reach those for whom they are intended.

Regardless of all obstacles the Department and the American Red Cross are continuing diligently to endeavor to arrange with the Japanese Government for the shipment of relief supplies on a regular and continuing basis to American prisoners of war and civilian internees in Japanese custody.

<sup>1</sup> Information contained herein amends the summary printed in the BULLETIN of Jan. 15, 1944, p. 77. Information in sections 1, 3, 4, and 5 of that summary remains current. See also BULLETIN of July 2, 1944, p. 6; July 16, 1944, p. 63; July 30, 1944, p. 115; Aug. 6, 1944, p. 142; and Aug. 20, 1944, p. 176.

#### SENDING OF INDIVIDUAL PARCELS TO AMERICAN NATIONALS INTERNED BY THE JAPANESE GOVERNMENT

No means of transportation are currently available for the sending of any next-of-kin parcels to American nationals in Japanese custody. In the event the Government's further efforts to arrange for the regular and continuous shipment of such relief supplies as those discussed above should be successful, the Department would expect the Japanese Government reciprocally to accept and to deliver next-of-kin packages sent by the same means of transportation for delivery to interned American nationals, both military and civilian, in Japanese hands.

The Office of the Provost Marshal General, War Department, has jurisdiction over the issuance of labels permitting next of kin to send parcels to American nationals in enemy custody whenever facilities for this purpose are available. All persons desiring to be provided with such labels, in the event facilities for shipment of individual packages to the Far East should become available, are advised to communicate with that office for information in this regard.

#### PROVISION OF FINANCIAL ASSISTANCE TO AMERICAN NATIONALS IN THE FAR EAST

Monthly transfers of United States Government funds to American civilian-internment camps in the Philippine Islands (BULLETIN of Jan. 15, 1944, p. 82) were increased from the original monthly total of \$25,000 to \$37,500 and subsequently to \$100,000. The Department of State has generally authorized the Swiss Government to furnish such additional amounts as may be required by rising price levels.

The United States Government, acting through the Swiss Government, has constantly endeavored since the spring of 1942 to arrange for the transfer of funds to American prisoners of war in the Philippine Islands. The Japanese Government has now indicated that it would be disposed to consider requests made by the Swiss Government to transfer funds through Japanese military channels for the assistance of American prisoners of war in the Philippine Islands, limiting such payments to 20 pesos monthly (approximately \$10) for each prisoner of war. The Department of State has re-

quested the Swiss Government to arrange for the transfer on a continuing basis of sufficient United States Government funds to provide the maximum amount permitted by the Japanese authorities for each prisoner of war.

The Japanese authorities recently agreed to permit the extension of financial assistance to American prisoners of war as well as to interned civilians in the Netherlands East Indies, and the Swiss Government has been specifically requested to arrange for the transfer of United States Government funds to the maximum amount allowed by the Japanese authorities.

Elsewhere in the Far East, in territory under Japanese control, financial assistance is being extended to all American prisoners of war and civilian internees who can be reached either by Swiss Government representatives or by delegates of the International Red Cross Committee. Both the Swiss Government and the International Red Cross Committee are being allowed to exercise broad discretion in the disbursement of United States public funds in order to ameliorate to the greatest extent possible the detention of American nationals.

#### TRANSMISSION OF MAIL BETWEEN THE UNITED STATES AND AREAS UNDER JAPANESE CONTROL

The Post Office Department is now sending all mail addressed to prisoners of war and civilian internees in the Far East by air without charge to the sender to Tehran, Iran, from which point, with the cooperation of the Soviet Government, it is forwarded across Soviet territory and delivered to the Japanese authorities. According to reports received from the International Red Cross Committee at Geneva, prisoner-of-war and civilian-internee mail has reached the Far East. Mail to the Far East is, of course, subject to the delays and uncertainties of war, and once it reaches the Far East its delivery to Americans is dependent upon the cooperation of the Japanese authorities. Prisoner-of-war and civilian-internee mail addressed to persons in the United States which originates in Japan and Japanese-controlled territory is being routed by the Japanese authorities to Tehran, from which point this mail is being carried by air to the United States free of charge.

## Visit of Director of Peruvian Hospital

Dr. Guillermo Almenara Irigoyen, director of the Workers' Hospital at Lima, Peru, and head of the Peruvian National Security Organization, is visiting medical and public-health centers in this country as a guest of the Department of State. The Inter-American Hospital Association is cooperating with the Department in making arrangements for his itinerary.

Dr. Almenara was elected vice president of the Inter-American Hospital Association at the meeting of the First Regional Institute of Hospitals held in Mexico in January of this year, and he was made an honorary fellow of the American College of Hospital Administrators at their recent meeting at Cleveland, Ohio.

### THE DEPARTMENT

#### The Inter-Agency Economic Digest<sup>1</sup>

*Purpose.* This instruction is issued in order to describe the functions and locate within the Department the secretariat servicing the "*Inter-Agency Economic Digest*".

1. *Nature of the "Inter-Agency Economic Digest"*. (a) The Department is interested in stimulating a flow of selected materials on background information and policy developments to United States missions abroad, in order that overseas staffs may be currently and fully apprised of economic developments in Federal agencies in Washington. Some months ago, on the instigation of the Mission for Economic Affairs in the United States Embassy in London, a group of inter-departmental representatives of several Federal agencies in Washington began sending fortnightly progress and policy reports on economic activities to certain United States missions abroad.<sup>2</sup>

(b) There has developed an increasing demand from overseas missions for current economic information in the form of a consolidated report, rather than progress reports from individual agencies. This would not only obviate the confusion from duplicate reporting, but would also provide

a concise summary of major economic activities of direct concern to our foreign missions.

(c) Following an interchange of letters between the Under Secretary of State and appropriate officials of other agencies, an Inter-Agency Editorial Board was created for the purpose of compiling a consolidated periodical, the "*Inter-Agency Economic Digest*," with representation from the following agencies:

Combined Production and Resources Board  
(U. S. side)  
Combined Raw Materials Board (U. S. side)  
Department of Agriculture  
Department of Commerce  
Department of State  
Department of Treasury  
Foreign Economic Administration  
Office of the Coordinator of Inter-American Affairs  
Petroleum Administration for War  
War Food Administration  
War Production Board  
War Shipping Administration

(d) The Inter-Agency Editorial Board, in a meeting August 25, 1944, defined the coverage of the digest as:

A brief digest of the most important economic developments of special concern to the U. S. Government staffs abroad. Emphasis will be given to emerging problems and policy developments. The report will be confined largely to information and material not generally available from other sources to officials of all U. S. Government agencies abroad.

2. *Location and Functions of the Secretariat.* In accordance with the policy of the Department to assume the leadership in seeing that United States missions receive adequate background and current information and policy guidance, the secretariat for servicing the consolidated "*Inter-Agency Economic Digest*" shall reside in the Department of State. The secretariat, including the Chairman of the Inter-Agency Editorial Board, is

<sup>1</sup> Administrative Instruction (General Administration 7), dated and effective Oct. 2, 1944.

<sup>2</sup> BULLETIN of Feb. 12, 1944, p. 181, and June 24, 1944, p. 489.

hereby established in the Office of the Foreign Service, in accordance with Departmental Order 1229, of February 23, 1944, which located the Department's Information Service Committee in that office. It shall be responsible for liaison with the Inter-Agency Editorial Board, assembling and analyzing pertinent materials, compiling and editing the consolidated Digest, and processing and distributing the Digest.

## TREATY INFORMATION

### Trade Marks

On September 29, 1944 the Secretary of State transmitted to the Director General of the Pan American Union a letter giving notice of denunciation by the United States of America of the Protocol on the Inter-American Registration of Trade Marks signed at Washington on February 20, 1929.<sup>1</sup> The text of the letter follows:

SEPTEMBER 29, 1944.

THE DIRECTOR GENERAL,  
OF THE PAN AMERICAN UNION.

SIR:

As the result of the experiences of the last several years, the Government of the United States of America has come to the conclusion that the Inter-American Trademark Bureau at Habana and the Protocol on the Inter-American Registration of Trade Marks signed at Washington on February 20, 1929 have failed to serve any purpose which would adequately justify the annual quota of funds contributed by it for the support of the Bureau.

Accordingly, the Government of the United States of America, acting in conformity with the provisions of the third paragraph of Article 19 of the Protocol under reference, gives notice hereby of its denunciation of the Protocol, and, having thus given notice, understands that the Protocol will cease to be in force as regards the United States of America upon the expiration of one year from the date of this notice.

Very truly yours,

CORDELL HULL

The Director General of the Pan American Union informed the Secretary of State, by a letter of October 3, 1944, that, in accordance with the terms of paragraph 3 of article 19 of the Protocol, under which notice of denunciation is given, the Pan American Union will inform the countries parties to the Protocol of the decision of the Government of the United States of America.

### Inter-American Coffee Agreement

The English text of a declaration signed on July 25, 1944 by the delegates of the governments participating in the Inter-American Coffee Agreement, signed at Washington on November 28, 1940, follows:<sup>2</sup>

DECLARATION BY THE INTER-AMERICAN COFFEE BOARD PROVIDING FOR THE CONTINUATION OF THE INTER-AMERICAN COFFEE AGREEMENT FOR A PERIOD OF ONE YEAR FROM OCTOBER 1, 1944.

WHEREAS: The Inter-American Coffee Board, in its resolution adopted August 5, 1943, recommended to the participating Governments the continuation without any change of the Inter-American Coffee Agreement for a period of one year from October 1, 1944.

WHEREAS: All the participating Governments have expressed their acceptance of the aforesaid resolution, as evidenced by official communications received from the Governments of Brazil, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Peru, the United States of America, and Venezuela;

THE INTER-AMERICAN COFFEE BOARD, in accordance with the provisions of Article XXIV of the aforesaid Agreement.

DECLARES:

THAT the Inter-American Coffee Agreement, subscribed to in the City of Washington, D.C., the 28th day of November, 1940, shall be deemed to be renewed and in effect, without any change what-

<sup>1</sup> Treaty Series 833, p. 46.

<sup>2</sup> Treaty Series 970 and 979.

soever, for all the signatory Governments, for a period of one year from the first of October, 1944.

As provided for in Article XXIV a certified copy of this Declaration shall be sent to the Pan American Union and to each of the Governments participating in the Agreement.

The original of this Declaration shall be deposited in the Pan American Union, as an appendix to the Inter-American Coffee Agreement and to the Protocol to same.

DONE at Washington, D.C., in English, Spanish, Portuguese and French, this 25th day of July, 1944.

The chairman of the Inter-American Coffee Board has informed the Secretary of State that the original signed copy of the declaration, in the four official languages of the Inter-American Coffee Board, has been forwarded to the Pan American Union for deposit.

### Canadian-New Zealand Mutual-Aid Agreement

The American Legation at Wellington transmitted to the Department of State, with a despatch of September 20, 1944, the text of an agreement (New Zealand Treaty Series 1944, No. 2), signed at Ottawa on June 30, 1944, between the Governments of Canada and New Zealand on the princi-

ples applying to the provision by Canada of Canadian war supplies to New Zealand under the War Appropriation (United Nations Mutual Aid) Acts of Canada, 1943 and 1944. The agreement became effective on June 30, 1944, the date of signature. The Canadian - New Zealand agreement is similar to the mutual-aid agreement between the Government of Canada and the French Committee of National Liberation printed in the BULLETIN of May 13, 1944, pages 456-457; see also BULLETIN of May 27, 1944, page 504.

## PUBLICATIONS

### DEPARTMENT OF STATE

Dumbarton Oaks Documents on International Organization. Conference Series 56. Publication 2192. 27 pp. 5¢.

Copyright Extension: Agreement between the United States of America and the United Kingdom of Great Britain and Northern Ireland—Effected by exchange of notes signed at Washington March 10, 1944; effective March 10, 1944. Executive Agreement Series 401. Publication 2181. 12 pp. 5¢.

Reciprocal Trade: Agreement between the United States of America and Turkey, in accordance with article 1 of the Agreement of April 1, 1939—Effected by exchange of notes signed at Washington April 14 and 22, 1944. Executive Agreement Series 406. Publication 2182. 4 pp. 5¢.







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Nov 9, 1944

# THE DEPARTMENT OF STATE BULLETIN

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OCTOBER 22, 1944

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*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

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# American Foreign Policy

## ADDRESS BY THE PRESIDENT<sup>1</sup>

[Released to the press by the White House October 21]

When the first World War was ended, I believed—I believe now—that enduring peace in the world has not a chance unless this Nation is willing to cooperate in winning it and maintaining it. I thought then—I know now—that we have to back our words with deeds.

A quarter of a century ago we helped to save our freedom, but we failed to organize the kind of world in which future generations could live in freedom. Opportunity knocks again. There is no guaranty that it will knock a third time.

Today Hitler and the Nazis continue the fight—desperately, inch by inch, and may continue to do so all the way to Berlin.

And we have another important engagement in Tokyo. No matter how long or hard the road we must travel, our forces will fight their way there under the leadership of MacArthur and Nimitz.

All of our thinking about foreign policy in this war must be conditioned by the fact that millions of our American boys are today fighting, many thousands of miles from home, for the defense of our country and the perpetuation of our American ideals. And there are still many hard and bitter battles to be fought.

The leaders of this Nation have always held that concern for our national security does not end at our borders. President Monroe and every American President following him were prepared to use force, if necessary, to assure the independence of other American nations threatened by aggressors from across the seas.

The principle has not changed, though the world has. Wars are no longer fought from horseback or from the decks of sailing ships.

It was with recognition of that fact that in 1933 we took, as the basis for our foreign relations, the Good Neighbor policy—the principle of the neigh-

bor who, resolutely respecting himself, equally respects the rights of others.

We and the other American republics have made the Good Neighbor policy real in this hemisphere. It is my conviction that this policy can be, and should be, made universal.

At inter-American conferences, beginning at Montevideo in 1933, and continuing down to date, we have made it clear to this hemisphere that we practice what we preach.

Our action in 1934 with respect to Philippine independence was another step in making good the same philosophy which animated the Good Neighbor policy.

As I said two years ago: “I like to think that the history of the Philippine Islands in the last 44 years provides in a very real sense a pattern for the future of other small nations and peoples of the world. It is a pattern of what men of good-will look forward to in the future.”

I cite another early action in the field of foreign policy of which I am proud. That was the recognition in 1933 of Soviet Russia.

For 16 years before then the American people and the Russian people had no practical means of communicating with each other. We reestablished those means. And today we are fighting with the Russians against common foes—and we know that the Russian contribution to victory has been, and will continue to be, gigantic.

The American people have gone through great national debates in the recent critical years. They were soul-searching debates. They reached from every city to every village and to every home.

We debated our principles and our determination to aid those fighting for freedom.

<sup>1</sup> Excerpts from an address delivered before the Foreign Policy Association in New York, N. Y., Oct. 21, 1944.

Obviously, we could have come to terms with Hitler and accepted a minor role in his totalitarian world. We rejected that!

We could have compromised with Japan and bargained for a place in a Japanese-dominated Asia by selling out the heart's blood of the Chinese people. And we rejected that!

The decision not to bargain with the tyrants rose from the hearts and souls and sinews of the American people. They faced reality, they appraised reality, and they knew what freedom meant.

The power which this Nation has attained—the moral, the political, the economic, and the military power—has brought to us the responsibility, and with it the opportunity, for leadership in the community of nations. In our own best interest, and in the name of peace and humanity, this Nation cannot, must not, and will not shirk that responsibility.

The United Nations have not yet produced such a comfortable dwelling-place. But we have achieved a very practical expression of a common purpose on the part of four great nations, who are now united to wage this war, that they will embark together after the war on a greater and more difficult enterprise—that of waging peace. We will embark on it with all the peace-loving nations of the world—large and small.

Our objective, as I stated 10 days ago, is to complete the organization of the United Nations without delay and before hostilities actually cease.

Peace, like war, can succeed only where there is a will to enforce it, and where there is available power to enforce it.

The Council of the United Nations must have the power to act quickly and decisively to keep the peace by force, if necessary. A policeman would not be a very effective policeman if, when he saw a felon break into a house, he had to go to the town hall and call a town meeting to issue a warrant before the felon could be arrested.

It is clear that, if the world organization is

to have any reality at all, our representative must be endowed in advance by the people themselves, by constitutional means through their representatives in the Congress, with authority to act.

If we do not catch the international felon when we have our hands on him, if we let him get away with his loot because the town council has not passed an ordinance authorizing his arrest, then we are not doing our share to prevent another world war. The people of the Nation want their Government to act, and not merely to talk, whenever and wherever there is a threat to world peace.

We cannot attain our great objectives by ourselves. Never again, after cooperating with other nations in a world war to save our way of life, can we wash our hands of maintaining the peace for which we fought.

The Dumbarton Oaks conference did not spring up overnight. It was called by Secretary Hull and me after years of thought, discussion, preparation, and consultation with our Allies. Our State Department did a splendid job in preparing for the conference and leading it to a successful termination. It was another chapter in the long process of cooperation with other peace-loving nations—beginning with the Atlantic Charter conference, and continuing through conferences at Casablanca, Moscow, Cairo, Tehran, Quebec, and Washington.

The peace structure which we are building must depend on foundations that go deep into the soil of men's faith and men's hearts—otherwise it is worthless. Only the unflagging will of men can preserve it.

No President of the United States can make the American contribution to preserve the peace without the constant, alert, and conscious collaboration of the American people.

Only the determination of the people to use the machinery gives worth to the machinery.

The very fact that we are now at work on the organization of the peace proves that the great

nations are committed to trust in each other. Put this proposition any way you will, it is bound to come out the same way; we either work with the other great nations, or we might some day have to fight them.

The kind of world order which we the peace-loving nations must achieve must depend essentially on friendly human relations, on acquaintance, on tolerance, on unassailable sincerity and good-will and good faith. We have achieved that relationship to a remarkable degree in our dealings with our Allies in this war—as the events of the war have proved.

It is a new thing in human history for Allies to work together, as we have done—so closely, so harmoniously and effectively in the fighting of a war, and—at the same time—in the building of the peace.

If we fail to maintain that relationship in the peace—if we fail to expand it and strengthen it—then there will be no lasting peace.

As for Germany, that tragic nation which has sown the wind and is now reaping the whirlwind, we and our Allies are entirely agreed that we shall not bargain with the Nazi conspirators, or leave them a shred of control—open or secret—of the instruments of government.

We shall not leave them a single element of military power—or of potential military power.

But I should be false to the very foundations of my religious and political convictions, if I should ever relinquish the hope—and even the faith—that in all peoples, without exception, there live some instinct for truth, some attraction toward justice, and some passion for peace—buried as they may be in the German case under a brutal regime.

We bring no charge against the German race, as such, for we cannot believe that God has eternally condemned any race of humanity. For we know in our own land how many good men and women of German ancestry have proved loyal, freedom-loving, peace-loving citizens.

There is going to be stern punishment for all those in Germany directly responsible for this agony of mankind.

The German people are not going to be enslaved—because the United Nations do not traffic in human slavery. But it will be necessary for them to earn their way back into the fellowship of peace-loving and law-abiding nations. And, in their climb up that steep road, we shall certainly see to it that they are not encumbered by having to carry guns. They will be relieved of that burden—we hope, forever.

I speak to the present generation of Americans with reverent participation in its sorrows and in its hopes. No generation has undergone a greater test, or has met that test with greater heroism and greater wisdom, and no generation has had a more exalted mission.

For this generation must act not only for itself, but as a trustee for all those who fell in the last war—a part of their mission unfulfilled.

It must act also for all who have paid the supreme price in this war—lest their mission, too, be betrayed.

And finally it must act for the generations to come—which must be granted a heritage of peace.

I do not exaggerate that mission. We are not fighting for, and we shall not achieve, Utopia. Indeed, in our own land, the work to be done is never finished. We have yet to realize the full and equal enjoyment of our freedom. So, in embarking on the building of a world fellowship, we have set ourselves to a long and arduous task, which will challenge our patience, our intelligence, our imagination, as well as our faith.

That task requires the judgment of a seasoned and a mature people. And this the American people have become. We shall not again be thwarted in our will to live as a mature nation, confronting limitless horizons. We shall bear our full responsibility, exercise our full influence, and bring our full help and encouragement to all who aspire to peace and freedom.

We now are, and we shall continue to be, strong brothers in the family of mankind—the family of the children of God.

# Informal Discussions on Peace Organization

## ORGANIZATIONS REPRESENTED

[Released to the press October 16]

Dr. Ernest M. Hopkins in his capacity as chairman of Americans United for World Organization has inquired of the Department of State whether it could have members of its staff available for an off-the-record discussion by members of organizations interested in world security. Dr. Hopkins said he would be happy to invite these organization representatives to such a meeting with the understanding that they came for information and guidance without commitments.

The Under Secretary of State, Mr. Stettinius, replied to Dr. Hopkins that he would be delighted to meet with representatives of the interested organizations and members of the American Group participating in the Washington Conversations at Dumbarton Oaks for the above-suggested off-the-record discussion relating to the proposals for an international organization to maintain peace and security.

A tentative list of the representatives of the organizations attending this meeting at the invitation of Americans United and the Commission To Study the Organization of Peace appears below. The meeting was held at the Department on October 16, at 2:30 p.m.

American Bar Association, Mr. William L. Rausom  
 American Bankers Association, Mr. Leonard P. Ayres  
 American Federation of Labor, Mr. Robert Watt  
 American Association of University Women, Dr. Helen Dwight Reid  
 American Legion, Mr. Ray Murphy  
 American Legion Auxiliary, Mrs. Charles Gilbert  
 American Council on Education, Dr. George Zook  
 American Library Association, Mr. Harry M. Lydenberg,  
 Mr. Archibald MacLeish, Miss Clara W. Herbert  
 American Jewish Committee, Mr. Max Gottschalk  
 American Association of Advertising Agencies, Mr. Emmett Dougherty  
 American Academy of Political and Social Sciences, Dr. Ernest Minor Patterson  
 American Peace Society, Mr. Phillip Marshall Brown  
 American Friends Service Committee, Mr. Clarence E. Pickett  
 American Unitarian Association, Rev. A. Powell Davies  
 Americans United, Dr. Hopkins, Mr. Urie Bell, Mrs. George Bell, Mrs. C. Reinold Noyes, Mr. Hugh Moore, Mr. J. A. Migele, Mr. Edward T. Clark  
 American Veterans Committee, Mr. William Best

American Society of International Law, Mr. Pitman B. Potter  
 Brookings Institution, Dr. Cleona Lewis  
 Common Council on American Unity, Miss Elizabeth Eastman  
 Catholic Association for International Peace, Rev. Edward A. Conway  
 Carnegie Endowment for International Peace, Mr. George A. Finch, Mr. Frank L. Warren (as representative of Thomas J. Watson)  
 Chicago Council on Foreign Relations, Mrs. Quincy Wright  
 Church Peace Union, Mr. Richard M. Fagley  
 Citizens Conference on International Economic Union, Mr. Louis H. Pink, Mr. Otto Mallery  
 Commission To Study the Organization of Peace, Dr. William Allan Neilson  
 Congress of Industrial Organizations, Mr. James Carey  
 Commission To Study the Bases of a Just and Durable Peace, Mr. Walter W. Van Kirk  
 Congregational Churches, Mr. Vernon H. Halloway  
 Council for Democracy, Mr. Robert Norton  
 Cleveland Council on World Affairs, Dean Wilbur W. White  
 Daughters of the American Revolution, Mrs. William A. Becker  
 Disabled War Veterans, Mr. Millard W. Rice, Mr. Milton Cohn  
 East and West Association, Miss Trace Yaukey  
 American Farm Bureau Federation, Mr. W. R. Ogg  
 Foreign Missions Conference of North America, Dr. Emory Ross  
 Foreign Policy Association, Mr. Blair Bolles, Mr. William Lancaster  
 Federal Union, Mr. John Howard Ford  
 Food for Freedom, Mr. Harold Weston  
 Friends Peace Committee, Mrs. Esther Holmes Jones  
 General Federation of Women's Clubs, Mrs. Bryce Claggett  
 General Assembly of Presbyterian Church, Dr. William Barrow Pugh  
 Institute for International Education, Mr. A. Randle Elliott  
 Institute of Pacific Relations, Dr. William Johnstone  
 Junior Leagues of America, Mrs. Ralph J. Jones  
 Kiwanis International, Mr. Martin T. Wiegand  
 League of Nations Association, Mr. Clark M. Eichelberger  
 League for Fair Play, Mr. Robert Norton  
 Lions International, Mr. Clifford D. Pierce  
 Lawyers Guild, Mr. Martin Popper  
 Methodist Church—Women's Division, Miss Dorothy McConnell  
 Military Order of the Purple Heart, Mr. Frank Huley  
 National Association for Advancement of Colored People, Dr. W. E. DuBois

National Council of Catholic Women, Miss Catherine Schaefer  
 National Peace Conference, Miss Jane Evans  
 National Council of Negro Women, Mrs. Mary McLeod Bethune  
 National Council of Jewish Women, Miss Helen Raebeck  
 National Catholic Welfare Conference, Right Rev. Mgr. John A. Ryan  
 National Association of Manufacturers, Mr. Patrick McMahon Mann  
 National League of Women Voters, Miss Anna Lord Strauss  
 National Federation of Business and Professional Women's Clubs, Miss Josephine Schain  
 National Foreign Trade Council, Mr. B. V. Fountain  
 National Grange, Mr. A. S. Goss  
 National Small Business Men's Association, Mr. De Witt Emery  
 National Conference of Christians and Jews, Mrs. A. W. Gotschall or Mr. William Ryan  
 National Parent and Teachers Association, Mrs. William A. Hastings  
 National Education Association, Mr. Willard E. Givens  
 National Council of Farmer Cooperatives, Mr. John H. Davis  
 National Council of Protestant Episcopal Churches, Right Rev. Angus Dunn  
 Northern Baptist Convention, Dr. C. M. Gallup  
 Non-Partisan Council To Win the Peace, Mr. Wheelright  
 Rotary International, Mr. Luther Hodges  
 Railroad Brotherhoods of America, Mr. Martin H. Miller  
 Southern Council on International Relations, Mr. Eugene Pfaff  
 Southern Baptist Convention, Rev. J. M. Dawson  
 Synagogue Council of America, Rabbi Aaron Opher  
 Twentieth Century Fund, Mr. Evans Clark  
 Town Hall, Inc., Mrs. Marion S. Carter  
 United States Student Assembly, Miss Margot Hass  
 United States Chamber of Commerce, Mr. Joyce O'Hara  
 United States Conference of Mayors, Col. Paul V. Betters  
 United States Junior Chamber of Commerce, Mr. Douglas H. Timmerman  
 Urban League, Mr. Lester Grange  
 Union for Democratic Action, Mr. Cesar Searchinger  
 Universities Committee of Post-War Problems, Mr. Arthur O. Lovejoy  
 United Christian Council on Democracy, Mr. Richard Morford  
 Veterans of Foreign Wars, Mr. Paul C. Wolman  
 Western Policy Association, Mrs. Helen Hill Miller  
 Women's Action Committee, Mrs. Dana Backus, Mrs. Lillian T. Mowrer  
 World Peace Foundation, Mr. Leland M. Goodrich  
 Woodrow Wilson Foundation, Mrs. Burnett Mahon  
 World Government Association, Mrs. Stanley P. Woodard  
 War Activities Committee of the Motion Picture Industry, Mr. Francis S. Harmon  
 World Federalists, Mr. Thomas Griessemer  
 Young Men's Christian Association, Mr. J. Leslie Putnam  
 Young Women's Christian Association, Mrs. James Irwin  
 Young Women's Hebrew Association, Mrs. Walter Mack

REMARKS BY ERNEST MARTIN HOPKINS<sup>1</sup>

[Release to the press October 16]

I think I can say on behalf of everyone here that we welcome this exceptional opportunity to learn the true inwardness of the proceedings which have been going on at Dumbarton Oaks for some weeks. I know of no more representative way than is here offered for conveying the facts concerning this most momentous endeavor—one in which not only Americans but the people of all the world have a vital stake. We so greatly value the privilege here offered, Mr. Under Secretary, that we venture to hope there will be even more opportunities like this for bringing our people closer to our Government.

To you who have responded to the invitation to gather here let me say a few words about what led us to venture to call you together in this manner.

Without presuming to enter upon the domain of any other national group we, nevertheless, felt that the implications of our title would be justified if we could bring about a representative meeting like this for the purpose, first of all, of establishing the facts. We explored the matter with the State Department. When we found Mr. Stettinius to be willing to have such a meeting at the State Department with distinguished participants of the Dumbarton Oaks conversations in association with him, I joined with my colleagues and with the Commission To Study the Organization of Peace in inviting you to assemble here. I am grateful to you for your presence. The number is indicative of the very deep concern you feel.

But let me say again that I am most impressed by your very evident determination along with the rest of us to do all that we can for the establishment of peace—peace in our time and for our sons and grandsons and on through successive generations. I have seen too many young men go out to die in two wars to be willing to take the slightest risk that such a disaster shall ever again recur. I know that you, too, feel with the same fervor that we must build quickly a peace agency that will have not only the strength of arms but the strength of democracy.

<sup>1</sup> Delivered at the meeting in the Department of State of representatives of Americans United for World Organization and the Commission To Study the Organization of Peace. Mr. Hopkins is national chairman of Americans United for World Organization.

## REMARKS BY THE UNDER SECRETARY OF STATE

[Released to the press October 16]

Secretary Hull had hoped that it would be possible for him to be here this afternoon and to meet with you ladies and gentlemen. However, he has had a little trouble with his throat and cannot be with us, and I am pinch-hitting for him.

On his behalf and on my own, I am happy to welcome to the Department of State the representatives of so many important American organizations and such a distinguished group of leaders of national thought. I wish to congratulate you, President Hopkins, and all who have worked with you, on the group that has been assembled here by "Americans United" and the "Commission To Study the Organization of Peace".

As President Hopkins has said, we are met to discuss fully and frankly the proposals for an international organization to maintain peace and security recently formulated at Dumbarton Oaks. My colleagues, who participated in the conversations, and I shall endeavor to explain the proposals to you in detail and to answer your questions about them.

The proposals which were agreed upon at Dumbarton Oaks are a synthesis and development of the views brought to the conversations by each of the participating Delegations. These proposals contain most of the essential framework of an international organization capable of maintaining peace and security, of advancing economic and social cooperation, and of promoting the conditions essential to peace and security.

The wide area of agreement achieved between the representatives of the United Kingdom, the Soviet Union, the Republic of China, and the United States is evidence of the broad harmony of purpose and intention which unites the four principal United Nations. This common determination is of vital importance for every step that must yet be taken to complete the task.

It cannot too often be emphasized that the present proposals are tentative, and as yet incomplete. They are the recommendations of technical experts to their governments, which are now considering them. Much work remains to be done before the international organization can take definitive form and become a living reality.

The four signatories of the Moscow Declaration of October 30, 1943 are in full agreement that the task of building an effective system of international peace and security is a joint responsibility of all peace-loving nations, large and small. The Dumbarton Oaks conversations were a first step in giving effect to that joint responsibility.

There will be no international organization unless and until the peace-loving nations of the world, now joined together in the prosecution of the war, agree among themselves upon what that organization should be. This will be done at a general conference of United Nations at which the charter for the proposed organization will be drafted. After that, the charter must be accepted and ratified by the governments concerned, in accordance with their respective constitutional processes.

Throughout this process there is need for wide, intelligent, and maturing consideration of the proposals on the part of the American people and of all other peace-loving peoples. Only as there develops in this country a substantial and informed body of public opinion can the Government go forward successfully in the task of participation in the further steps needed for the establishment of an international organization. Only against the background of such a body of public opinion can the organization itself, once established, function effectively, for no institution, however perfect, can live and fulfil its purposes unless it is continuously animated and supported by strong public will and determination.

I devoutly hope that in the work which lies ahead we shall have the same cooperation and support from the organizations represented here which they gave so generously during the many months of planning and consultation which preceded the conversations at Dumbarton Oaks. I hope, too, that the discussions within this Nation will continue with the same single-minded devotion to the national interest in peace and security, above regard for political or other affiliations, which has characterized all previous discussions.

In this spirit, those who are charged with the official duty of carrying forward the work begun at Dumbarton Oaks invite critical and candid scrutiny of the present proposals. Cognizant as they are of the important problems that must yet

be solved, they will welcome every constructive suggestion for the solution of those problems. I am confident, President Hopkins, that the able group of representatives whom you have brought here today will seek to foster discussion of these proposals in the same spirit. I think it is particularly fortunate, therefore, that we have this opportunity to consider the proposals together.

I should like to begin the discussions this afternoon by calling upon Dr. Pasvolsky to review in some detail the proposals agreed upon at Dumbarton Oaks. Later I shall call on Judge Hackworth to discuss that part of the proposals relating to the International Court of Justice. Then the meeting will be thrown open for questions which my associates and I shall do our best to answer.

#### REMARKS BY THE UNDER SECRETARY OF STATE AT THE CLOSING OF THE MEETING

[Released to the press October 16]

It is my earnest hope that this is but the first of many such discussions. I am confident that each of us shares fully the deep conviction that the great sacrifices of this war must bring not only victory over the aggressor nations and the liberation of the peoples whom they have oppressed, but something beyond and enduring—the hope and the prospect of a world in which mankind can live at peace and with a greater measure of well-being, free from the specter of insecurity. This is the hope which lies nearest the hearts of peace-loving peoples everywhere. Ours is the grave responsibility to assure that this hope is fulfilled.

## Participation of United States In Surrender Terms For Rumania

[Released to the press October 19]

On October 19 the Department of State issued the following statement in reply to requests for comment on Governor Dewey's remarks regarding the surrender terms for Rumania.

Governor Dewey's statement leaves out the following facts:

The terms of surrender for Rumania were in the form of an armistice agreement in which this Government participated at all stages. Precisely because it was a military document and not a peace settlement it was presented by Marshal Malinowski, the theater commander, duly authorized by the Governments of the United States, the U.S.S.R., and the United Kingdom. This action by Marshal Malinowski followed directly the pattern of General Eisenhower in signing the armistice with Italy on behalf of the United States, the United Kingdom, and the U.S.S.R. With regard to the terms themselves, Secretary Hull on September 20, 1944 pointed out in a statement to the press that the question of the final disposition of Transylvania would depend upon confirmation at the time of the general peace settlement.<sup>1</sup> The settlement with regard to Bessarabia merely restores the frontier between the two states as established by the Soviet-Rumanian agreement of June 8, 1940.

Secretary Hull made it clear to correspondents that this Government participated at all stages in the discussions leading to the armistice agreement with Rumania, when, in a press statement on September 20, 1944, he pointed out that this Government had participated in the discussions leading to the surrender terms, and he stated specifically that this Government had been kept fully advised of the terms regarding Transylvania.

When the Secretary of State at his press and radio news conference on September 13 announced that the Rumanian armistice had been agreed to and indicated that he had not received its contents, he, of course, referred to the final official text, the provisions of which had been agreed to by this Government's representative on the basis of his specific instructions from this Government and the discussions in which the Department had participated. The definitive text was received later the same day and immediately released to the press.<sup>2</sup>

<sup>1</sup> Secretary Hull's statement referred to in this release was made to correspondents at the Department.

<sup>2</sup> BULLETIN of Sept. 17, 1944, p. 289.

# Landing of American Forces in the Philippines

## STATEMENT BY THE PRESIDENT

[Released to the press by the White House October 20]

This morning American troops landed on the island of Leyte in the Philippines. The invasion forces, under the command of General Douglas MacArthur, are supported by the greatest concentration of naval and air power ever massed in the Pacific Ocean.

We have landed in the Philippines to redeem the pledge we made over two years ago when the last American troops surrendered on Corregidor after 5 months and 28 days of bitter resistance against overwhelming enemy strength.

We promised to return; we *have* returned.

In my last message to General Wainwright, sent on the fifth of May 1942 just before he was captured, I told him that the gallant struggle of his comrades had inspired every soldier, sailor, and marine and all the workers in our shipyards and munitions plants. I said that he and his devoted followers had become the living symbol of our war aims and the guaranty of our victory.

That was true in 1942. It is still true in 1944.

We have never forgotten the courage of our men at Bataan and Corregidor. Their example inspired every American in the stern days of Guadalcanal, Tarawa, Salerno, and Normandy. And in every campaign—on battle-front or home front—we remember those men, and their memory spurs us to greater effort.

Nowhere has the desire to avenge their comrades been stronger than among the forces of the Southwest Pacific. Leyte is another rung in the long ladder General MacArthur's men have been climbing for two years.

Starting on the underside of New Guinea in the autumn of 1942 when Australia herself was in danger, pushing over the Owen Stanley Mountains, burning and blasting the Japanese out of Buna and Gona, digging them out of Wewak, starving them at Hollandia—the advance has been a slow, tough struggle by our jungle fighters.

Now they have reached Leyte.

In the six years before war broke out, the Philippine Government, acting in harmonious accord with the United States, made great strides toward

complete establishment of her sovereignty. The United States promised to help build a new nation in the Pacific, a nation whose ideals, like our own, were liberty and equality and the democratic way of life—a nation which in a very short time would join the friendly family of nations on equal terms.

We were keeping that promise. When war came and our work was wrecked, we pledged to the people of the Philippines that their freedom would be redeemed and that their independence would be established and protected. We are fulfilling that pledge now. When we have finished the job of driving the Japs from the Islands, the Philippines will be a free and independent republic.

There never was a doubt that the people of the Philippines were worthy of their independence. There will never be a doubt.

The Filipinos have defended their homeland with fortitude and gallantry. We confidently expect to see them liberate it with courage and audacity.

Under the leadership of President Manuel Quezon, whose death came on the eve of his country's liberation, and now under the leadership of their President, Sergio Osmeña, the Filipinos have carried on, and are carrying on, with gallantry—even in midst of the enemy.

We are glad to be back in the Philippines but we do not intend to stop there.

Leyte is only a waystation on the road to Japan. It is 700 miles from Formosa. It is 850 miles from China. We are astride the life-line of the warlords' empire; we are severing that life-line. Our bombers, our ships, and our submarines are cutting off the ill-gotten conquests from the homeland. From our new base we shall quicken the assault. Our attacks of the last week have been destructive and decisive, but now we shall strike even more devastating blows at Japan.

We have learned our lesson about Japan. We trusted her and treated her with the decency due a civilized neighbor. We were foully betrayed. The price of the lesson was high.

Now we are going to teach Japan her lesson.

We have the will and the power to teach her the cost of treachery and deceit, and the cost of stealing from her neighbors. With our steadfast Allies, we shall teach this lesson so that Japan will never forget it.

We shall free the enslaved peoples. We shall restore stolen lands and looted wealth to their rightful owners. We shall strangle the Black Dragon of Japanese militarism forever.

#### MESSAGES OF THE PRESIDENT

[Released to the press by the White House October 20]

##### *The President to General MacArthur*

The whole American nation today exults at the news that the gallant men under your command have landed on Philippine soil. I know well what this means to you. I know what it cost you to obey my order that you leave Corregidor in February 1942 and proceed to Australia. Since then you have planned and worked and fought with whole-souled devotion for the day when you would return with powerful forces to the Philippine Islands. That day has come. You have the nation's gratitude and the nation's prayers for success as you and your men fight your way back to Bataan.

##### *The President to Admiral Nimitz and Admiral Halsey*

The country has followed with pride the magnificent sweep of your Fleet into enemy waters. In addition to the gallant fighting of your flyers, we appreciate the endurance and superb seamanship of your forces. Your fine cooperation with General MacArthur furnishes another example of teamwork and the effective and intelligent use of all weapons.

##### *The President to President Osmeña*

Please deliver the following message to the Philippine people from me:

"The suffering, humiliation and mental torture that you have endured since the barbarous, unprovoked and treacherous attack upon the Philippines nearly three long years ago have aroused in the hearts of the American people a righteous anger, a stern determination to punish the guilty, and a

fixed resolve to restore peace and order and decency to an outraged world.

"Until we were attacked at Pearl Harbor we had done our utmost to live as friendly self-respecting neighbors of the Japanese in the Pacific.

"For half a century, in spite of signs of a decadent and militaristic Japanese leadership, we studiously avoided any acts that might provoke distrust or alarm. Our decency was mistaken for weakness.

"Our plans for the dignity and freedom of the people of the Philippines have been ruthlessly—but only temporarily—brushed aside by Japanese acts of exploitation and enslavement. When the Japanese invaders have been driven out, the Philippines will take their place as a free and independent member of the family of nations.

"On this occasion of the return of General MacArthur to Philippine soil with our airmen, our soldiers and our sailors, we renew our pledge. We and our Philippine brothers in arms—with the help of Almighty God—will drive out the invader; we will destroy his power to wage war again, and we will restore a world of dignity and freedom—a world of confidence and honesty and peace."

#### STATEMENT BY THE SECRETARY OF STATE

[Released to the press October 20]

The landing of American forces on the strategic island of Leyte in the Philippines not only fulfils General MacArthur's promise that he would return to the Islands, but it also marks an important step toward the realization of the President's pledge given to the Filipino people on December 28, 1941.<sup>1</sup> On that occasion the President said: "I give to the people of the Philippines my solemn pledge that their freedom will be redeemed and their independence established and protected." The landing on Leyte is an inspiring example of the resourcefulness, determination, and courage of the American armed forces. It represents magnificent qualities of leadership and exemplifies the fighting spirit of our officers and men—a guaranty of complete triumph over our enemy in the Pacific.

<sup>1</sup> BULLETIN of JAN. 3, 1942, p. 5.

# The Individual and International Affairs

Address by ASSISTANT SECRETARY SHAW<sup>1</sup>

[Released to the press October 21]

The older alumni of any university are an inevitable and oftentimes an irritating source of advice. You have greatly honored me today by making me an alumnus of Bucknell University, and as unhappily I cannot count myself among the younger alumni you must bear the consequences of your generous action and listen to a talk which has a very definite purpose, and a talk with a purpose cannot altogether escape the element of advice.

I want to urge you to interest yourselves and interest yourselves actively and positively in the conduct of the foreign affairs of the United States. That in a word is the purpose of my remarks this morning. Now in trying to carry out this purpose please do not expect me to reveal to you the inwardness of some problem of our foreign relations now in the headlines. I am going to begin far more realistically—perhaps, you will feel, far more prosaically. I am going to begin with *you*, with you as the individuals your lives so far and your formal education have helped you to become.

Just how ready are you to play a part in the carrying on of the foreign relations of the United States? Perhaps you are thinking of making of that participation your career and your profession, but perhaps your participation is destined to be that of the alert and informed citizen. The kind of participation matters little when it comes to the first and the foremost prerequisite I am going to emphasize. In interviewing prospective candidates for the Foreign Service recently out of college we ask them a couple of questions which often throw them into quite a bit of confusion. The first is: "Do you think people like you and do you like people; are you reasonably popular?" Of course most of us, while we do not proclaim the fact too loudly, consider ourselves quite reasonably popular, and within limits we are of course right, so that the answer that we usually get to that question is a more or less embarrassed "yes". But then comes the second question, and that is the real question: "How popular are you among people whose

economic background, race, or religion is altogether different from your own?" That question usually starts a very interesting and a very revealing conversation, and without going into details I may say that it is discouragingly seldom that we find someone whose practice of democracy is so genuine and whose basic preparation for the Foreign Service is so adequate that that person can truthfully say that he understands and likes all kinds of people and that all kinds of people understand and like him. If you analyze through that second question and its implications I do not believe you will have any difficulty in grasping why it is a very practical question to address to candidates for the Foreign Service. If *at home* you dislike people because they have fewer dollars than you have and therefore live in a different kind of house or on the other side of the tracks, or because the color of their skin is not the same as yours, or the terms in which they describe their relationship to God are not as your terms—if you dislike these people for any such reasons or even if these differences arouse in you any emotions other than a genuine desire to understand and to appreciate, if that really is your attitude at home, what chance is there that when you are called upon as an officer of the United States Government to understand and work abroad for your country with foreign governments and with foreign peoples your attitude will in any degree change for the better? Your college education should of course have taught you to appreciate differences and to understand the factors which have led to them, should have aroused your intellectual curiosity and stirred you deeply with a desire to study and know these differences at first hand, should have enabled you to achieve those essentially philosophical concepts without which democracy has little or no meaning. That is one thing the privilege of a college education should have done for you, but there is something more and something which is fully as important if you are to take an effective part in the conduct of the foreign relations of this country at this time. When I graduated from college in 1915 we were naive enough to believe in a stable world inevitably improving by the mere elapse of time

<sup>1</sup> Delivered at the commencement exercises of Bucknell University, Lewisburg, Pennsylvania, Oct. 21, 1944.

and through the application of rules which we genially took for granted that we understood. That is not the world of today, not the world in which you are to take the leading part. That world is essentially a revolutionary world, a world which may get better or may get worse depending upon the quality of the thought and the moral and the intellectual courage which you bring to its problems. I do not for a moment mean that you should ignore the past, that you should ignore the great underlying lessons of history or the traditions of thought. On the contrary your education is a defective education, a caricature of an education, unless you have a clear and a thorough grasp of those lessons and of those traditions. But I do mean that your education should also have endowed you with that quality of intellectual flexibility which will enable you to understand new illustrations of those lessons and new forms in which those traditions may manifest themselves. The future leaders of Europe, for instance, many of whom have participated in the underground, will not be as the leaders of pre-war Europe. Because of the soul-searing experiences they have suffered they will have gained a renewed insight into the meaning of brotherhood and a new appreciation of what is essential in life and of what is of second- or even third-rate importance. We must not meet their efforts to apply that which the bitterness and the heroism of these experiences have taught them by an overly rigid adherence to forms useful indeed in the past but subject to restatement and modification in the light of new conditions. The tradition of American radicalism is one of the most authentic of our traditions, and the names of such radicals as Jefferson and Lincoln are names which we revere. We were born of a revolution and we should be the last to fail to understand a revolution.

Some of you I hope will go into foreign affairs as a profession and become Foreign Service officers or officers of the Department of State. But for most of you your part in the conduct of foreign affairs will be less direct, although none the less real. "Less direct, but none the less real"—those words will perhaps puzzle you. Here is what I mean.

Our place in the world as a great power depends not only upon our material resources and the impressive utilization which we make of them, nor upon our military strength, but also—and person-

ally I think primarily—upon our standing for a great idea and upon the consistency and the effectiveness of our practice of that great idea. I am of course referring to the fundamental beliefs which are at the very heart of our American life, the conviction of the worth of each and every individual human being, regardless entirely of economic status or of race or creed, of the rights with which that human being is endowed, and of our unrelenting efforts to fashion a government, an economic system, and a society in which that conviction may constantly be translated into an ever larger measure of reality. That of course in essence is what we mean by democracy, and its effective formulation and practice constitute an essential element—indeed *the* most essential element—in determining our influence and our significance in the world. You, therefore, who are going to take part in efforts to combat racial discrimination in any one of its many menacing forms or to abolish the scandal of the slum or to assure a wider distribution of medical services—you will not only be helping to solve some vital domestic problem. Because you will be helping to translate more perfectly into reality our democratic ideal, you will also be contributing to the power and to the significance of the United States abroad; to a most important degree, you will be participating in the conduct of our foreign relations.

But that is not the only way in which you can achieve that participation. Our foreign policy and the hundreds of acts and the thousands of words which are its manifestation are not the product of the thinking of some isolated, esoteric group of individuals housed in some mysterious building in Washington. Constantly impinging upon these individuals and shaping their thoughts and their words and acts are opinions and counter-opinions of all sorts emanating from Congress, from the press, and from the public, whether expressed by groups or by individuals. Public criticism of officials is the surest criterion of the existence of genuine democratic government, and the part which that criticism, particularly if it is informed criticism, must play in the formulation of our foreign policy and in its execution is of the highest importance. Since those of us who are professionally concerned with foreign affairs necessarily have access to sources of information not available to the general public it is our obligation to make available to that public as large a part

of that information as is compatible with the obvious practical conditions under which international relations must be carried on. But do not forget that it is no less your obligation, particularly as educated members of the public, to distinguish between fact and fancy, between fact and the selfish or sinister distortion of fact; to analyze those facts; to discuss them; and to make known your considered judgments conscientiously and with a maximum of effectiveness.

And finally there is a way of taking an active part in international affairs to which you here at Bucknell have made an important contribution. You have extended the hospitality of your classrooms and of your campus to students from countries to the south of us. You have practiced what we call cultural cooperation, and cultural cooperation I firmly believe is destined to play a most significant part in our efforts to bring about that better, that happier world in which we hope future generations may live. In the past we have often seen efforts on the part of one country to impose its culture on some other country; that indeed has been the characteristic attitude of countries of so-called superior culture in their relations with countries which have been classified as backward. There is nothing new in that sort of relationship. It is simply cultural imperialism. In the present war and even before its formal outbreak we have also seen what has come to be termed "psychological warfare"—an immensely powerful weapon of first-rate military significance. Cultural cooperation, however, has nothing in common with either cultural imperialism or psychological warfare. There are three fundamental principles which explain cultural cooperation. In the first place is the conviction that relations between peoples, given the progress which transportation and communication have made, are even more important than relations between governments and that one of the most important functions of government is to foster those very relations between peoples. Secondly is the belief that cultural cooperation must, as the very name proclaims, be carried on on a sincerely reciprocal basis. There can be no question of imposing or even exclusively of giving those things which our history and our culture enable us to give to the world. There must of course be that giving, but just as certainly there must also be receiving; there must be a genuine interdependence. And finally if cultural cooperation is to fulfil its real opportunity there must be

even more than an understanding and an appreciation of differing cultures; there must be, doubtless, a slow and often a precarious but none the less a real and a growing perception that underneath these differing cultures are principles, beliefs, emotions fundamentally the same, fundamentally unifying, essentially calculated, instead of driving us apart, to bring us all together.

## Civil Air Attaché Appointments

[Released to the press October 20]

The Department of State announces that the following civil air attachés have recently been assigned to posts abroad in recognition of the growing importance of civil aviation:

A. Ogden Pierrot will be civil air attaché at Lisbon and Madrid. Mr. Pierrot until recently was Washington representative for an aircraft manufacturing firm. In 1942 he organized the office of the United States Commercial Corporation at Lisbon, prior to which he was an official of the Aircraft Production Division of the War Production Board. He also represented a number of American aircraft manufacturers in Argentina from 1934 to 1940 and before that was assistant commercial attaché at the American Embassy in Rio de Janeiro for 11 years.

The civil air attaché at Paris will be Howard B. Railey, who for the past six years has been liaison consultant for the Civil Aeronautics Board, specializing in problems in international aviation.

Charles M. Howell, Jr., has been designated as civil air attaché at Rio de Janeiro. For the past year he has been in Brazil, connected with a group of American technicians who have been aiding in the development of certain Brazilian airlines under the auspices of the Defense Supplies Corporation. He was previously associated with an aircraft manufacturing firm in Kansas City, and was also Assistant Attorney General of the State of Missouri.

The first civil air attaché, assigned to London, was designated several months ago. He is Livingston Satterthwaite, who is likewise assigned to several other European countries.

It is expected that the above-mentioned civil air attachés will attend the International Civil Aviation Conference to be convened in Chicago on November 1, 1944.

# The Dumbarton Oaks Conversations

By JAMES FREDERICK GREEN<sup>1</sup>

CARVED in stone on the west wall of Dumbarton Oaks are these prophetic words: "Quod Severis Metes—As you sow, so shall you reap". Within a few hundred yards of this wall the representatives of the United States, the United Kingdom, and the Soviet Union and, more recently, of the Republic of China began the arduous task of creating an international organization for the maintenance of international peace and security. The difficulties of the task were apparent on occasion during the seven weeks of discussions; its successful accomplishment never seemed impossible. The alternative to the creation of such an international organization—a third world war within our lifetime—seemed unthinkable to those laboring at Dumbarton Oaks.

Few settings in this continent could have been more suited to these preliminary conversations than that gracious estate, with its fine Georgian house, its formal rose gardens and boxwood hedge, its rambling paths and pleasant arbors. For there, atop an oak-crowned knoll, a pioneer Scotsman banished from his homeland more than 200 years ago sought peace and security from a Europe incessantly racked by war. There, in 1801, when the world was in turmoil, the present house was built in the thriving port of Georgetown. The spacious halls and handsome rooms of Dumbarton Oaks, where for a time John C. Calhoun lived, have almost spanned the life of the Republic. They have lent a quiet dignity and a sense of history to the labors of twentieth-century statesmen who endeavored once again to solve the ancient problem of war.

The physical arrangements at Dumbarton Oaks proved entirely satisfactory for a small international meeting. In an alcove in the central hall, facing the front door, was placed a reception and information desk. A reference library was nearby. The large music room, from which many of the furnishings were temporarily removed, served as an assembly hall. In this magnificent two-story room, Renaissance in character, the European tapestries and cabinets and a bronze Chinese owl seemed equally appropriate as the background for these historic talks. At the opposite end of the

house, an English drawing-room of the Adam period was used as a lounge. The paneled library on the first floor was occupied by Under Secretary Stettinius and his staff. The headquarters of the American Delegation were in the former dining-room of the house, a handsome square room with buff walls, French windows, and a marble-trimmed fireplace. The British Delegation occupied, during both phases of the Conversations, a large library on the second floor of the house and an adjoining room which was used as an office by Sir Alexander Cadogan. A suite of rooms on the second floor of the east wing was used by the representatives of the Soviet Union during the first phase of the Conversations and by the Chinese during the second. The diplomats were not alone in their toil, for in remote parts of the house scholars pursued their studies in the art collections and libraries, which, together with the house and grounds, were given to Harvard University in 1941 by Mr. and Mrs. Robert Woods Bliss. Harvard University generously lent the estate to the Department for the Conversations.

Informality was the keynote of these preliminary conversations at Dumbarton Oaks. The usual trappings of a conference, attended by large delegations and secretaries and hedged in by protocol, were strikingly absent. The arrangements were simple and informal, designed to facilitate frank and rapid exchange of views. When obliged to work all day at Dumbarton Oaks the various participants, delegates and staff alike, lunched together in the vine-covered orangerie or on the adjacent terrace. While most of the large meetings were held in the music room, considerable business was also transacted in the rooms of Fellows House, a smaller building, about one block away on the estate, that is normally used as a residence by visiting scholars. More informal talks took place in the gardens or on the terrace beside the swimming pool.

<sup>1</sup>Mr. Green, of the Division of International Security and Organization, Office of Special Political Affairs, Department of State, was Documents Officer at the Washington Conversations on International Organization, Aug. 21–Oct. 7, 1944.

Although the lavish entertainment that is usually associated with international conferences, at least in novels and movies, was notably absent during the Conversations, informal social functions did much to smooth the interchanges of views and viewpoints among the several national groups. Special efforts were made to give the foreign visitors as much insight into American life as possible during the period of the Conversations. On the weekend of August 25-27 the British and Soviet delegates visited New York, which some of them had never seen before, and were entertained at dinner in Rockefeller Center by Mr. Nelson Rockefeller and were shown through Radio City. They made a journey around lower Manhattan and the harbor aboard the yacht of Maj. Gen. Homer M. Groninger, USA, Commanding General of the New York Port of Embarkation. Some of the delegates subsequently attended theaters, and others attended a baseball game or viewed the art collections of the Metropolitan Museum. Several weeks later, on September 10, the British and Chinese participants travelled across the Skyline Drive to Charlottesville, where they were greeted at the University of Virginia by the Governor of Virginia and the President of the University. After brief visits to Monticello, Ashlawn, and Montpelier, the homes of Jefferson, Monroe, and Madison, respectively, they were entertained for supper at the Under Secretary's farm, "The Horseshoe", in Culpeper County.

#### THE AMERICAN PARTICIPANTS

The American Group at Dumbarton Oaks was characterized by remarkable resources of political and military experience. Among its eleven civilian members were four who have been Ambassadors, three who have been Under Secretaries of State, one who has twice been Assistant Secretary of State, and three who participated in the Paris Peace Conference. The civilian members were as follows: Edward R. Stettinius, Jr., Under Secretary of State and Chairman of the Group; Dr. Isaiah Bowman, President of Johns Hopkins University and Special Adviser to the Secretary of State on post-war problems and plans; Dr. Benjamin V. Cohen, General Counsel to the Office of War Mobilization; James Clement Dunn, Director of the Office of European Affairs, Department of State; Henry P. Fletcher, Special Adviser to the Secretary of State; Joseph Clark

Grew, formerly Ambassador to Japan and now Director of the Office of Far Eastern Affairs, Department of State; Green H. Hackworth, Legal Adviser, Department of State; Dr. Stanley K. Hornbeck, Special Assistant to the Secretary of State and Ambassador-designate to the Netherlands; Breckinridge Long, Assistant Secretary of State; Dr. Leo Pasvolsky, Special Assistant to the Secretary of State and Executive Director of the Committee on Post-War Programs; and Edwin C. Wilson, Director of the Office of Special Political Affairs, Department of State.

The six military members of the American Group included some of the most distinguished men in our armed forces, leaders in the post-war planning work of the Army and Navy. Among them were a former Deputy Chief of Staff of the United States Army and a former Commander in Chief of the United States Fleet. They included the following: Admiral Arthur J. Hepburn, USN, Chairman of the General Board of the Navy Department; Lt. Gen. Stanley D. Embick, USA, Chairman of the Inter-American Defense Board and Member of the Joint Strategic Survey Committee in the United States Joint Chiefs of Staff; Vice Admiral Russell Willson, USN, Member of the Joint Strategic Survey Committee in the United States Joint Chiefs of Staff; Maj. Gen. George V. Strong, USA, Member of the Joint Post-War Committee in the United States Joint Chiefs of Staff; Rear Admiral Harold C. Train, USN, Navy Member of the Joint Post-War Committee in the United States Joint Chiefs of Staff; and Maj. Gen. Muir S. Fairchild, USA, Member of the Joint Strategic Survey Committee in the United States Joint Chiefs of Staff. Three of these officers have specialized in international conference work: Admiral Hepburn and Admiral Train attended the Geneva Conference on Limitation of Armaments in 1927 and the London Naval Conference in 1930, and they, as well as General Strong, participated in the Traffic in Arms Conference, Geneva 1925, the Preparatory Commission, Geneva 1926-31, and the Conference on Limitation of Armaments at Geneva in 1932.

Michael J. McDermott, Special Assistant to the Secretary, served as the friendly and experienced Press Officer of the Conversations. G. Hayden Raynor, Special Assistant to the Under Secretary, assisted the Group and secretariat alike.

Most of the 17 members of the American Group had worked together for many months in the vari-

ous committees organized in the Department of State to consider post-war problems. All of them attended daily study and discussion meetings of the Group for two weeks before the opening of the Conversations, and later participated in meetings that lasted for full days—occasionally from 9:30 in the morning until midnight.

Throughout the period of preparation and during the Conversations the American representatives were assisted by three principal secretaries or technical advisers designated from the Department of State: Benjamin Gerig and Durward V. Sandifer, Assistant Chiefs of the Division of International Security and Organization, and Charles W. Yost, Executive Secretary of the Policy Committee. The following officers from the Office of Special Political Affairs and from the War and Navy Departments served as assistant secretaries: Donald C. Blaisdell, Mrs. Esther C. Brunauer, Ralph J. Bunche, Col. Paul W. Caraway, USA, Capt. John M. Creighton, USN, Clyde Eagleton, Dorothy Fosdick, Grayson L. Kirk, Walter M. Kotschnig, Col. David Marcus, USA, Marcia Maylott, Mrs. Alice McDiarmid, Lt. Col. W. A. McRae, AUS, Norman Padelford, Lawrence Preuss, Mrs. Pauline R. Preuss, Col. W. F. Rehm, USA, and John D. Tomlinson. In addition to their services for the American Group, these officers became at Dumbarton Oaks the international secretariat for the Conversations, keeping the records of the various meetings and being responsible for the drafting of documents.

The American Delegation was further aided by a General Adviser, Harley A. Notter, Chief of the Division of International Security and Organization, and by six Area Advisers: Joseph W. Ballantine, Deputy Director of the Office of Far Eastern Affairs; Charles E. Bohlen, Chief of the Division of Eastern European Affairs; John M. Cabot, Chief of the Division of Caribbean and Central American Affairs; Raymond A. Hare, Division of Near Eastern Affairs; John D. Hickerson, Chief of the Division of British Commonwealth Affairs; and Joseph E. Johnson, Division of American Republics Analysis and Liaison.

#### THE BRITISH REPRESENTATIVES

The British Delegation at Dumbarton Oaks included men outstanding in the civil service, military affairs, and public life. The Chairman of the Group during the first phase, Sir Alexander

Cadogan, Permanent Under Secretary of State for Foreign Affairs, is one of Britain's most experienced diplomats. The other members were as follows: Col. Denis Capel-Dunn, Military Assistant Secretary of the War Cabinet; Gladwyn Jebb, Head of the Economic and Reconstruction Department of the Foreign Office; Peter Loxley, Private Secretary to the Permanent Under Secretary of State for Foreign Affairs; Lieutenant General Macready, Chief of the British Army Staff in Washington; Sir William Malkin, Legal Adviser of the Foreign Office; Admiral Sir Percy Noble, Head of the British Naval Delegation in Washington; Prof. C. K. Webster, member of the Research Department of the Foreign Office and outstanding scholar in the field of nineteenth-century diplomatic history; Air Marshal Sir William Welsh, Head of the Royal Air Force Delegation in Washington. The British advisers and secretaries included Paul Falla, Economic and Reconstruction Department of the Foreign Office; P. H. Gore-Booth, First Secretary, British Embassy; Maj. Gen. M. F. Grove-White; A. R. K. Mackenzie, Press Officer; and A. H. Poynton, official of the Colonial Office and Private Secretary to the Minister of Production.

After the opening of the second phase of the Conversations, the Right Honorable the Earl of Halifax, British Ambassador to the United States, became Chairman of the Delegation, which was reconstituted as follows: Commodore A. W. Clarke, British Chief of Staff to the Head of the Admiralty Delegation to the Joint Staff Mission and Acting Deputy Head of the Admiralty Delegation; Gore-Booth; Major General Grove-White; Jebb; Lieutenant General Macready; Sir George Sansom, Minister and Adviser on Far Eastern Affairs, British Embassy, and authority on Japanese history and culture; Professor Webster; and Air Vice-Marshal R. P. Willock, Deputy Head of RAF Delegation to the Joint Staff Mission. Berkeley Gage served as Secretary.

#### THE SOVIET DELEGATION

The Soviet participants at Dumbarton Oaks were men of broad and varied experience. Chairman of the Delegation was Ambassador Andrei A. Gromyko, Ambassador to the United States and Minister to Cuba. The other members of the Soviet Group were Grigori G. Dolbin, Foreign Office official who accompanied Vice President Wallace on his recent trip through the Soviet

Union; Prof. Sergei A. Golunsky, Foreign Office official and distinguished scholar in the field of international relations; Prof. Sergei A. Krylov, Professor of International Law, University of Moscow; Rear Admiral Konstantin K. Rodionov, Chief of the Administrative Division of the Navy Commissariat; Maj. Gen. Nikolai V. Slavin, attached to the Soviet General Staff and liaison officer between the Red Army Staff and the American and British Military Missions; Arkadii A. Sobolev, Counselor of the Soviet Embassy in London, with the rank of Minister, and formerly Secretary General of the Commissariat of Foreign Affairs; and Semen K. Zarapkin, Chief of the American Section, Soviet Foreign Office. The Soviet advisers and secretaries included Valentin M. Berezkhov, Secretary and Translator; Fedor T. Orekhov, Press Officer; and Mikhail M. Yunin, Secretary.

#### THE CHINESE PARTICIPANTS

The Chinese Delegation, which participated in the second phase of the Conversations at Dumbarton Oaks, was headed by Dr. V. K. Wellington Koo, Ambassador to London and one of China's most experienced diplomats. Other delegates were: Dr. Wei Tao-ming, Ambassador to the United States of America; Dr. Victor Chi-tsai Hoo, Vice Minister of Foreign Affairs; and Gen. Shang Chen, Chief of the Military Mission to the United States. The technical delegates of the Chinese Group included the following: Dr. Chang Chung-fu, Director of the Department of American Affairs of the Ministry of Foreign Affairs; Dr. Kan Lee, Commercial Counselor, Chinese Embassy; Liu Chieh, Minister-Counselor, Chinese Embassy, and Secretary-General of the Delegation; Rear Admiral Liu Ten-fu, Naval Attaché to Washington; Maj. Gen. P. T. Mow, Deputy Director of the Commission on Aeronautical Affairs and concurrently Director of the Washington Office of the Commission on Aeronautical Affairs; Poe D. Hsueh-feng, Counselor of the Supreme Defense Council; and T. L. Soong, Delegate to the United Nations Monetary and Financial Conference.

The advisers to the Delegation were Dr. S. H. Tow, Dr. C. L. Hsia, Dr. C. Y. Cheng, Dr. James Yu, Dr. Liang Yun-li, Chen Hung-chen. Serving as secretaries were Tswen-ling-Tsui, F. Y. Chai, C. K. Hsieh, Dr. Mon Sheng Lin.

#### THE EXECUTIVE SECRETARIAT

During both phases of the Conversations, a small central secretariat, with the assistance of the secretariats of the four groups, provided necessary services. Alger Hiss, Special Assistant to the Director of the Office of Special Political Affairs, served as Executive Secretary in charge of general arrangements; Easton Rothwell, Executive Secretary of the Committee on Post-War Programs, served as Assistant Executive Secretary. Under their direction, Donald B. Eddy, of the Division of International Conferences, and Louise White, Administrative Assistant in the Office of Special Political Affairs, handled most of the physical arrangements.

James Frederick Green, of the Division of International Security and Organization, served as Documents Officer with responsibility for the processing, safekeeping, and distribution of documents. The stenographic staff was located on the third floor of Dumbarton Oaks and on the second floor of nearby Fellows House. The fact that all hectographed documents were processed at Fellows House required frequent sprinting between the two buildings when memoranda were needed urgently at Dumbarton Oaks. All documents were handled through the Communications Center, a somewhat ostentatious name for the Dumbarton Oaks kitchen, and were stored for safekeeping in a large and secure icebox approximately ten feet long, five feet wide, and eight feet high.

The servants' entrance of the house was dignified by the name of Receiving Room, where incoming and outgoing communications were handled. Documents and papers were carried between buildings on the estate and between Dumbarton Oaks and other buildings in Washington by a regular courier service maintained by Army and Navy officers.

Lt. Frederick Holdsworth, Jr., USNR, was in charge of transportation and courier arrangements, the Army and Navy having provided sufficient cars to take care of both the principal participants and the secretariat.

#### THE FORMULATION OF PROPOSALS

The meeting of the representatives of these four states at Dumbarton Oaks was a direct result of the Moscow Declaration. In the Four Nation Declaration signed on October 30, 1943, the United States, the United Kingdom, the Soviet Union, and

China recognized "the necessity of establishing at the earliest practicable date a general international organization, based on the principle of the sovereign equality of all peace-loving states, and open to membership by all such states, large and small, for the maintenance of international peace and security." Since the Soviet Government is a neutral in the Pacific war, it proved necessary to arrange separate discussions with the Chinese Government. The Russians, British, and Americans began their work on August 21; the Chinese, British, and Americans commenced discussions on September 29.

Completion of the task of drafting an agreed set of recommendations within a period of only seven weeks, August 21 to October 7, was an extraordinary achievement. The process of discussion and agreement was prolonged not only by the complexities of the subject-matter but also by mechanical difficulties of translation and communication. Each of the foreign governments had to consult at intervals with its home government by cable or radio messages, and the Russians and Chinese had to translate the texts of documents during the course of those consultations.

The Conversations were preceded only by an exchange of tentative proposals. After barely sufficient time had been allowed for the British, Soviet, and American Governments to study and compare the three sets of documents, the first phase of the Conversations was inaugurated on August 21 in a formal opening session, presided over by Secretary Hull and attended by the British Ambassador, Lord Halifax. It was apparent throughout the Conversations that the three governments were genuinely determined to work together toward the creation of an effective international organization. The emphasis and tone of the three opening addresses were strikingly similar—agreement that the present wartime unity must be continued in peacetime.

Immediately after the opening session, the three groups announced the appointment of a series of subcommittees to expedite their work, including a Joint Steering Committee, a Drafting Subcommittee, a Legal Subcommittee, a Subcommittee on General Questions of International Organization, and a Subcommittee on Security.<sup>1</sup> The Joint Steering Committee consisted of the chairmen of the three groups, together with Mr. Dunn, Mr.

Jebb, Mr. Pasvolksy, and Mr. Sobolev. Mr. Hiss acted as secretary, and Mr. Berezchkov, secretary-interpreter of the Soviet Group, also attended the meetings of the Committee. It met at frequent intervals, planned the work, and passed upon the work of the subcommittees. Most of the other groups met regularly during the first two weeks in order to seek general agreement on basic principles. As agreement was reached, specific proposals were drafted by a small formulation group—composed of Mr. Pasvolksy, Mr. Dunn, and Mr. Hackworth for the United States; Mr. Jebb, Sir William Malkin, and Professor Webster for the United Kingdom; and Mr. Sobolev and Mr. Berezchkov for the Soviet Union. Admiral Willson, Admiral Train, General Grove-White, and Colonel Capel-Dunn participated on occasion. Mr. Notter also regularly attended, and Mr. Gerig and Mr. Yost assisted the group.

The remaining three weeks and more were devoted to refining and reconsidering the basic text—point by point, word by word. By September 28 the three delegations had reached a sufficient consensus of view to be able to adjourn their discussions. At the final plenary meeting all expressed the feeling that the work accomplished constituted a substantial beginning.

On the day following the conclusion of the first phase of the discussions, the Chinese, British, and American Delegations began their negotiations. After an opening session, addressed by Secretary Hull, Ambassador Koo, and Sir Alexander Cadogan, and attended by Lord Halifax and Dr. H. H. Kung, Finance Minister of the Chinese Government,<sup>2</sup> the participants recessed until Monday, October 2, in order to study and to plan their discussions during the week to follow.

During the following week, October 2-7, the three delegations gave consideration both to the basic principles of international organization and to detailed proposals for providing future peace and security. Several plenary sessions were held to open and close this phase of the Conversations, while a small formulation group drafted specific recommendations. This group consisted of the following: Mr. Dunn, Mr. Grew, Mr. Hackworth, Mr. Pasvolksy, and Rear Admiral Train for the

<sup>1</sup> For a list of the members of these subcommittees, see BULLETIN of Aug. 27, 1944, p. 203.

<sup>2</sup> BULLETIN of Oct. 1, 1944, p. 342.

United States; Major General Grove-White, Mr. Jebb, Mr. Sansom, and Professor Webster for the United Kingdom, with Mr. Gage as adviser; and Ambassador Koo, Dr. Hoo, Dr. Chang, and Dr. Liu for China, with Dr. Cheng, Dr. Liang, and Mr. Liu as advisers.

The general program of work was directed and reviewed by a Joint Steering Committee, composed of the chairmen of the three delegations, together with Mr. Dunn, Mr. Grew, and Mr. Pasvolsky for the United States; Mr. Jebb and Professor Webster for the United Kingdom; and Dr. Koo and Mr. Liu for China. Mr. Hiss acted as secretary for the Committee.

At the close of the first phase of the Conversations, the American, British, and Soviet Governments simultaneously issued a joint communiqué summarizing their work.<sup>1</sup> Because of the difference in time in Washington, London, and Moscow, careful preparation was required to insure simultaneous publication at a convenient hour in all three capitals. The date finally agreed upon by the three press officers was 10 a.m., Washington time, on Friday, September 29. At the close of the second phase of the Conversations, similar arrangements were undertaken for the simultaneous issuance on October 9 of the final proposals, together with a brief explanatory statement by all four governments.<sup>2</sup> In this country further information about these proposals was provided in statements by President Roosevelt and Secretary Hull and in the report of Under Secretary Stettinius on the work of the American Delegation. The peoples of the four participating nations, as well as the rest of the world, were thus fully informed, according to the finest traditions of the democratic system, about the recommendations agreed upon at Dumbarton Oaks.

#### PREPARATIONS BY THE AMERICAN GOVERNMENT

The work of the American Delegation at Dumbarton Oaks was the culmination of three and one-half years of intensive research and discussion within the Department of State, under the active leadership and wise guidance of President Roosevelt and Secretary Hull. During this long period of gestation, the Department had the aid and counsel of high officers of the War and Navy Departments, many members of the Senate and

House of Representatives, and a large number of eminent private citizens. These painstaking preparations were discussed and described by the President in his address on October 21 before the Foreign Policy Association in New York City:

“The Dumbarton Oaks conference did not spring up overnight. It was called by Secretary Hull and me after years of thought, discussion, preparation, and consultation with our Allies. Our State Department did a splendid job in preparing for the conference and leading it to a successful termination. It was another chapter in the long process of cooperation with other peace-loving nations—beginning with the Atlantic Charter conference and continuing through conferences at Casablanca, Moscow, Cairo, Tehran, Quebec, and Washington.”

#### INFLUENCE OF PUBLIC OPINION

Thorough as all these preparations may have been, it is fully appreciated that they can only be fruitful and succeed if they accord with the will of the people and have the fullest public support when implemented. Unprecedented efforts were made to conceive the proposals in terms that represented the aims of the American people as a whole. The Secretary of State conferred frequently with individuals and groups of members of the Congress, including members of the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House.

During the past three and one half years thousands of Americans have written to the Department of State and hundreds have called in person to express their desire for the establishment of a general international organization and to give the Department the benefit of their ideas. Individuals and organizations have submitted plans, blueprints, proposals, and projects of every conceivable variety, but all to the end that peace and security must somehow be achieved. These letters and resolutions, as well as newspaper and radio comment, have been studied with care by officers of the Department, who have endeavored to fasten attention upon the ideas that seem most useful. The grave sense of responsibility which has underlain this task has been deepened by letters from the mothers who, having lost sons in the hedgerows of Normandy or on the beachheads of Saipan, beseech their Government to find some alternative to war.

<sup>1</sup> BULLETIN of Oct. 1, 1944, p. 342.

<sup>2</sup> BULLETIN of Oct. 8, 1944, p. 367.

## SIGNIFICANCE OF THE DUMBARTON OAKS PROPOSALS

The contributions to the proposals that emerged from Dumbarton Oaks did not come wholly from America or from any one nation. They represent a pooling of policies, a sharing and fusion of ideas contributed by people of many lands.

Starting with tentative proposals of the participating Governments, the negotiators for many long weeks followed at Dumbarton Oaks the advice of the Gilbertian Colonel:

Take of these elements all that is fusible,  
Melt them all down in a pipkin or crueible,  
Set them to simmer and take off the scum. . .

The residuum was not a Heavy Dragoon but a set of proposals that in clarity, precision, and comprehensiveness far surpassed any one of the four papers originally presented. Diplomacy, like chemistry, can compound from a variety of elements something stronger and finer than any one of them.

Equally significant is the manner in which effort has been made to avoid past mistakes of omission or commission. Twenty-five years ago, when relatively few Americans were experienced in international relations or even interested in the subject, President Wilson tapped out his proposals for a League of Nations Covenant on his own typewriter; this time the President and Secretary of State have been able to draw upon the experience and thought of many men and women. The League Covenant was drafted at Paris by presidents and prime ministers without preliminary exchange of views by their technical assistants; now the initial drafting is done on what Sir Alexander Cadogan calls the "humble official level". In 1919, the problem of international organization became ensnared in dozens of difficult territorial questions; in 1944, these territorial problems are being reserved for later consideration. Then, the creation of a world organization became the central issue of partisan politics in the United States; today, this problem is being removed from the electoral battlefield by the unceasing efforts of the President, Secretary Hull, and Governor Dewey, to make the security and peace of the United States, and the world, a common national endeavor and not a partisan issue.

Out of the long discussions at Dumbarton Oaks has come a set of proposals recommended by the

Delegations to the Governments which signed the Four Nation Declaration at Moscow. These proposals constitute merely the foundation and framework of the ultimate structure of international peace and security. Soon they will be considered in a larger conference and will undoubtedly be improved by the contributions of the many other nations which will participate. Not before a final agreement of views has been reached will the building be constructed. Only after years, perhaps even decades, of testing against economic and political storms can this earnest and intensive preparation and the initial work at the Moscow Conference and the Dumbarton Oaks Conversations be fully judged.

## Grayson N. Kefauver Returns From London

[Released to the press October 16]

Dr. Grayson N. Kefauver, member of the American Education Delegation to the Conference of Allied Ministers of Education, has returned to the Department of State after a period of six months in England. After the return of the other members of the Delegation in May he carried on the work of formulating programs for assisting in the educational reconstruction of the war-torn countries in collaboration with the Conference and its various subcommissions.<sup>1</sup> He gave especial attention to international organization for assisting in educational and cultural reconstruction and the supplying of basic school equipment to the war-torn countries. He has also cooperated with the representatives of the Roberts Commission and with the Supreme Military Command in work which bears on cultural and educational matters. In the week before his departure for the United States, he visited Brussels and Paris and certain rural areas in France, where he saw at first hand the reopening of schools. Before returning to London Dr. Kefauver will consider with officials of the Department certain educational and cultural problems which the changing military situation is bringing to the fore.

<sup>1</sup> BULLETIN of May 6, 1944, p. 413.



## Antecedents of National Socialist Education SOME ASPECTS OF THE GERMAN MIND

Before considering the remarkable changes which National Socialism has effected in the German educational system, it should be emphasized that National Socialism is an ideology as well as a political system and that its degree of success or failure has depended upon its ability to shape the German mind in its own image. While it is not maintained that there exists a fixed and stereotyped mentality shared by all Germans, it is the consensus of informed opinion that there are certain common attitudes and habits of thought, not racially inbred but the outcome of history, tradition, and circumstance, which are widely characteristic of Germans. Hitlerism, obnoxious though it may be to other nationalities, has gaged correctly certain Teutonic traits and folkways, even though its ultimate crystallization into a pattern of thought and conduct is certainly an exaggeration and perversion of Germanic ideals. It is significant that Hitler gained his initial hold upon the German nation primarily as a popular educator and molder of the collective mind; his political system was and is primarily a vast educational establishment geared to the mass-production of a required type of mentality.

The German mental character evades sharp definition and seems at first a cluster of paradoxes. It is complex and many-sided, reflecting the polyglot racial composition of the Reich, its political "indeterminacy", and its failure to coalesce into a nation of clearly defined traits. The polarity of North and South, of *Ostelbien* and the Rhineland, of Protestant and Catholic, and of Potsdam and Weimar has impressed all observers.

<sup>1</sup> Mr. Fuller is a Country Specialist, Central European Section, Division of Territorial Studies, Office of Special Political Affairs, Department of State. This is the first of a series of three articles on German education; in the BULLETIN of Oct. 29 will appear "National Socialist Education in Theory and Practice" and in the BULLETIN of Nov. 5, "Higher Learning and Extra-Curricular Education".

<sup>2</sup> F. H. Heinemann, "The Unstable Mind of the German Nation", *Hibbert Journal*, Jan. 1940, pp. 219-20. T. H. Minshall, *What To Do With Germany* (London, 1941), pp. 25-29.

<sup>3</sup> George H. Danton, *Germany Ten Years After* (Boston, 1928), pp. 41-47. Paul Gaultier, *La Mentalité Allemande et la Guerre* (Paris, 1916), pp. 45-67.

# Education in Germany Under the National Socialist Regime

By LEON W. FULLER<sup>1</sup>

*The educational system in Germany under National Socialism intensifies the conflict or tension between Germanism and the Western World. It accentuates to a high degree the amorality of German political conduct, the subservience to unscrupulous leaders, the outbursts of sadistic cruelty, the "fatherland fixation" which thwarts sane cooperation with neighboring states, the craving for unlimited power and conquest, and the inability to argue controversial issues.*

The German often seems to combine antagonistic traits—devotion and treachery, lawlessness and love of order, sentimentality and brutality, romantic mysticism and gross materialism, love of truth and blind acceptance of dogma. There is evidence of a lack of certainty and an absence of that inner sense of security which marks those peoples who have "arrived at a specific way of life". The German will is undetermined, without limits or sense of direction (Hitler insists that the average German wants not freedom but direction and a guide to action).<sup>2</sup>

A number of traits, however, may be noted with some degree of accuracy, although generalization in such matters is always dangerous.

### Subjectivity

German thinkers tend to evolve reality out of their own consciousness. They are notoriously egocentric. Depth, feeling, and inwardness characterize German art, notably music. The mystic, intuitive approach is natural to the German (*Anschauung* is a favorite word in German philosophy, not quite translatable into "insight"). There is an introvert quality about much German thinking—it lacks healthy rational objectivity. The German is inclined to be hypersensitive, to be unable to view himself as he is or as others see him. In time of stress this trait becomes exaggerated into a species of national touchiness and spiritual isolation which often takes the form of an almost pathological resentment of criticism. Germans have had little training in the "objective evaluation of other people's ideas."<sup>3</sup>

### Idealism

Closely associated with his mystical bent is the German's conception of reality as consisting of ideal or abstract qualities. Perhaps Germany's greatest contribution to modern thought has been the philosophy of idealism with its profound (or at least abstruse) inwardness, subjectivity, and

mysticism. Ideals subjectively conceived are accepted as absolutes and constrain to passionate, irrational, and unrealistic action. The German readily loses himself in a self-subordinating "followership" if convinced that his leader embodies the ideal reality of his heart's desire—hence his unquestioning loyalty, self-effacement, and willing sacrifice of freedom—and he will pursue his

ideal "over corpses" if necessary.<sup>4</sup>

### Dynamic Instability

A leading Nazi educator has said: "We are the ever nascent, never complete; we are the eternal strivers after completion, struggling for a higher and a final destiny, always at the start and never at the finish." This restates clearly a concept of the German mind (or will) that has often been expressed by German thinkers and one which finds vindication in history (Luther: "We are not yet but we will be"; Nietzsche: "To be German means to be in the process of growth."). A perpetual restlessness marks the German. Life is not being but becoming. The world is a theater of conflict; struggle, the law of life. There are no natural frontiers, fixed and eternal, either to his country or to his thought. The "divine discontent" of the German was symbolized in the masterpiece of Germany's greatest poet. Hegel's dogma that reality is only a progressive attempt to realize full self-consciousness, never achieved and repudiating every stage as insufficient, is applicable to the German mind if not to the objective universe. The German is richer in dreams and potentialities than in achieved realities. Impulse and irrational sentiment often prevail over reason. The German has been for the West a catalyst, disturber, agitator, and motive force, suffering greatly but working much good and evil.

### Polarity With Western Thought

According to Alfred Bäumler, German thought is the polar opposite of the Roman-derived Euro-

pean culture. Together these two cultures constitute the dialectic of Europe. Germany, exposed spiritually as well as physically to the Romanized West, alternately has been strongly attracted to foreign ideas and has reverted to a narrow and intense Germanism. She is both highly susceptible to outside influence and possessed to an unusual degree of a "centralized race-personality." Although she is capable of developing a highly cosmopolitan outlook, of contributing more than her share to the intellectual and cultural well-being of Europe, Germany has yet remained an element unassimilated by western culture; her separatist impulses recurrently engender an acute consciousness of her own "tribal personality", exaggerating the ever-latent tension between Germanism and the West. The two worlds, says Hans Baecker, "face each other in the panoply of their mutual alienation."<sup>5</sup> The German attitude toward the West seems to be a blend of two elements: a sense of "not belonging", which assumes in politics the form of an isolation or encirclement complex, and the conviction that Germany's fore-ordained mission is to achieve a synthesis of the two great cultural elements of the West, Latin-Christian tradition and Germanic strength.

### Susceptibility to Collective Mania

Although it is probably unscientific to ascribe psychopathic traits to the "mind" of a nation, it is generally agreed that Germans have shown themselves susceptible to an unusual degree to collective psychological forces, especially in moments of stress and strain deeply affecting the national life. The post-1919 German has been described as an "anguished man", afflicted with a "crisis mentality". The collapse of old values and a continuing sense of inner and external insecurity made many Germans increasingly amenable to what might be termed psychic mass diseases. The failure of German education to develop self-reliant and integrated personalities left the average German without adequate defense against irrational propagandas and waves of collective emotionalism, particularly when the satisfaction of certainty, security, and assured guidance was offered. What

<sup>4</sup> Charlotte Bühler, "Why Do Germans So Easily Forfeit Their Freedom?", *The Journal of Abnormal and Social Psychology*, Apr. 1943, pp. 49-57.

<sup>5</sup> Erich Kahler, *Der deutsche Charakter in der Geschichte Europas* (Zürich, 1937), I, pp. 5-9. Arvid Kolm, *The War Against the West* (New York, 1938), pp. 562-65. Hans Baecker, *Deutschland und das Abendland* (Jena, 1935).

appears to the outsider as a latent instinct for servitude is rather the instinctive tendency of the German to seek freedom in submergence of self in a movement, a "followership" which resolves the dilemmas of his personal confusions in the pursuit of a collective ideality attuned to his inner hopes and strivings.

In the opinion of some students of the German problem the German mentality, particularly in recent years, is clearly psychotic or paranoiac, evidenced, it is argued, by such traits as chronic suspiciousness, fancied grievances, a sense of martyrdom, extreme ethnocentrism ("we" v. "they" complex), megalomania, passion for domination, and fanatical belief in a mission.<sup>6</sup> Hence the amorality of German political conduct, the subservience to unscrupulous leaders, the outbursts of sadistic cruelty, the "fatherland fixation" which thwarts sane cooperation with neighboring states, and the craving for unlimited power and conquest. Hence also the extreme intolerance, the violent insistence by Germans upon their own point of view, the inability or unwillingness to argue controversial issues which has often been noted by foreign observers. That such traits are prevalent can hardly be doubted; that they constitute a national paranoia or neurosis is open to question. Obviously such characteristics of the German temperament have been made more apparent and obnoxious by her recent historical experiences and by the National Socialist system of education. The present German state of mind seems to be a resultant of the interaction between tragic group experience as a nation and predispositions inherent in the German character.

## Education Before National Socialism

### GENERAL CHARACTER OF EDUCATION UNDER THE EMPIRE

As a background for the consideration of National Socialist reforms, certain fundamental characteristics of German education prior to 1914 may be noted. Although no system of national control then existed, each state being in complete control of its own school system, the schools of the Reich, particularly of Prussia, constituting two thirds of the whole, had developed a fairly uniform pattern of organization, subject matter, and objectives. They were geared to a society essen-

tially aristocratic and authoritarian. Educational leaders and the ranks of the teaching profession were recruited mainly from the upper classes and represented conservative, often reactionary social ideals. The universities, the higher professional schools, and even the secondary schools were virtually barred to the sons of workers and the poorer classes by prohibitive tuition fees and a rigidly selective system. There existed not even a common elementary school for all classes but rather various types of schools catering to differences in social status and religious creed. Religious instruction was—and still is—imparted in the public schools, and there were few schools of an inter-denominational character. Pre-1914 education is well characterized by James Russell:

"The vigorous discipline of the schools, which brooks no opposition and tolerates no parental interference; the methods of instruction, which leave nothing to chance and individual initiative, and the system of privileges, which dominates teachers and pupils alike—all tend to the development of a character which feels no restriction of personal liberty in the constant surveillance of the police and the rule of a military despotism. The social institutions, the school system and the methods of instruction in Germany are calculated to beget dependence on authority rather than independence and freedom of action."

Above the elementary schools, a system of middle and vocational schools continued the training of the majority who were destined to industrial and mechanical pursuits. An elaborate system of secondary schools carefully segregated the minority who were to be educated for the higher professions and positions of leadership in the state. The latter was exceptionally important since the German bureaucracy has always enlisted a large percentage of highly educated personnel. The secondary schools were of two main types: one (the *Gymnasium*) emphasizing classical culture and ancient languages, and the other (the *Realschule*) stressing science and modern languages. The classical universities and the higher technical and professional schools achieved a world

<sup>6</sup> Richard M. Brickner, "The German Cultural Paranoic Trend", *American Journal of Orthopsychiatry*, Oct. 1942, pp. 611-19. *Nation*, June 5, 1943, pp. 812-14. Sebastian Haffner, *Germany: Jekyll and Hyde* (New York, 1941), *passim*.

reputation for sound and efficient scholarship and a remarkable degree of academic freedom and immunity from state interference. Many became renowned centers of study and research, attracting students from all parts of the world. The universities of the Empire have often been criticized, however, on two grounds (significant in view of later Nazi reforms): their extreme looseness and informality of organization, which resulted in the elimination of all but the most mature and self-reliant students, and their tendency to an isolated intellectualism which was often out of touch with the realities of national life.

The German schools prior to 1914 did not concern themselves with political education except in the sense of training obedient and loyal servants of the state. They educated subjects, not citizens. History texts stressed the role of Germany in European development, depicting the unification of the Reich as its culminating event, and they emphasized the superior merits of the German people, their culture, and their rulers. But there was little endeavor to acquaint German youth with civic institutions or with the principles and functioning of government. No positive social duties were inculcated—civic obligation consisted mainly of unquestioning obedience to the civil and criminal codes. The mechanics of government was noted, but politics was viewed as a sphere of activity extraneous to the life of the average individual. The growth of Social Democracy in Germany led to some attempt on the part of the Party to impart civic instruction to its members. In 1913 the first national conference on civic training was held in Berlin, sponsored mainly by bourgeois and middle-class groups. But the dominant tendency in the schools until 1914 was to assume that government was the monopoly of the ruling elite and did not vitally concern the masses of the population.

German education until 1914 may be said to have been marked by mechanical efficiency and spiritual decline. It reflected the industrial and technological expansion of the Reich and its rapid emergence as a world power, but it proved that the inner spiritual life was not adjusted to external forms and changes. Over-specialization, efficiency, and "soulless omniscience" characterized an era that felt the surge of progress but was losing its faith in traditional values. The war of 1914 demonstrated the high degree of literacy and tech-

nical proficiency of the German nation but at the same time gave evidence of the materialistic standards and moral confusion of the German people when they were confronted by a major spiritual crisis.

## EDUCATIONAL REFORM UNDER THE REPUBLIC

### *New Social and Educational Theories*

War and revolution disposed of the old order and opened the way for revolutionary innovations in education, yet without generating clear and positive criteria for a new society. Educational theory reflected this dilemma. A Germany accustomed to regimentation of social and intellectual life controlled from above was unprepared for the liberty which had been thrust upon it. In formulating an educational program little in the way of background or experience could be utilized. Post-war years were marked by a collapse of norms, a sort of "liberty of catastrophe" or "cultural Bolshevism" as one school of critics called it. It was an era of bold and vigorous experimentation but one that was characterized by uncertainty and divided opinion on the ultimate goals of education.

The Weimar Constitution expressed a liberal and idealistic philosophy of education. It advocated the duty of parents to provide physical, social, and spiritual education for their children and the necessity of supervision by the state. Exploitation or neglect of youth was to be guarded against. Communities, states, and Reich were to collaborate in a free, public system of schools with compulsory attendance of pupils and uniform training of teachers. Greater unity of organization and organic development was to be attained. Equalization of opportunity for children of all classes was mentioned (although not achieved in practice). Religious instruction was to form an integral part of the curriculum. In all schools "moral training, a sense of civic responsibility, personal and vocational efficiency in a spirit of national German feeling and international conciliation" were to be aimed at (article 148).

Perhaps the keynote of the new education was the effort to derive all procedures from the needs of the child (*vom Kinde aus*). A new humanism, akin to the progressive philosophy represented by John Dewey in America, aimed at the rationalization of education by seeking to develop the totality of the individual's capacities in organic relation

with the social environment.<sup>7</sup> Vital experience (*Erlebnis*) became the watchword. There was a revolt against standardized procedures. The objective was a rounded personality, not uniform rights or mechanical freedom; however, the *Gemeinschaft* idea, the *Volk*, appealed, rather than individualism in the prevalent Western sense. There was a conscious attempt to counter the ego-centric individualism of the time by emphasizing civic duty and the demands of a close-knit cooperative society, and to break down the class and regional particularism of German life by making education an experience of shared living.

Although far from chauvinistic and, in fact, inclined toward the ideal of international understanding, Weimar education displayed a tendency to stress the sources of German cultural nationalism (*alt-Deutschtum*), probably as a defensive reaction against the feeling of repression, isolation, and ostracism induced by Germany's treatment at the hands of the Allies. It was animated less by a sense of hostility toward the Western powers than by a conscious need to find sources of strength within her own history and traditions in the face of a hostile and suspicious world. This emphasis on Germanism in the Weimar schools is exceedingly important since it tended to reinforce the introvert traits of the German mind, since it handicapped the really sincere efforts at international reconciliation put forth by Rathenau, Stresemann, and other leaders, and since it prepared the German people for extreme nationalistic indoctrination under Nazi leadership. It had a beneficial effect, however, in that the Republic rooted the German nation more firmly in the soil of its traditional culture than the Empire had ever succeeded in doing.

#### *Educational Innovations*

*Unification.* Although it left control with the state ministries of education, the Reich assumed a greater interest in education and influenced policy through directives (suggested, not dictated) and the effecting of uniform laws with regard to teacher-training. A basic four-year elementary school (*Grundschule*) was established throughout the Reich. The age of compulsory schooling

was uniformly extended one year (to the age of 18). Secondary schools were simplified to four basic types. A compulsory three-year vocational course (beyond the *Grundschule*) was uniformly established.

*Democratization.* The reduction of fees and the awarding of scholarships afforded greater equality of opportunity (the secondary schools remained essentially aristocratic, however, as before training a selected group for leadership). The maxim "an open road for the capable" was adopted as a guiding principle in pupil selection. Co-education was admitted to some degree although it has never won much approval in Germany, and special schools for girls were established. Much more attention was given to civic education and specific training for participation in a democratic commonwealth. More freedom, pupil initiative, and tolerance were permitted in the classroom—there was less regimentation and indoctrination. Administration was decentralized to permit more flexible adaptation of schools to local needs. Advisory parents' councils were established.

*Subject-matter and methods.* More stress was placed upon physical training and vocational instruction adapted to individual needs; also, as previously mentioned, emphasis was placed upon civic training and German studies. A greater effort was made to integrate subject-matter about units of interest related to students' needs. The trend was away from purely intellectual training. The spontaneous interests and activities of the child became the starting-point in teaching procedure (untrue, however, of many conservative schools). Work groups, student councils, laboratory methods, and activity programs were fostered. A more conscious endeavor was made to reshape society through the schools than to educate, as before 1914, to a given type.

*Teacher training.* The preparation of teachers was put upon a broader basis. The old-time normal schools in Prussia were replaced by pedagogical institutes which offered some basic elements of a liberal education as well as the mechanics of pedagogy. The training of secondary teachers was placed upon a strict university standard.

*New types of schools.* A new German high school (*Deutsche Oberschule*) was established as a basic type of secondary school, devoted largely to the study of German art, literature, and folkways. The *Aufbauschule*, a continuation high

<sup>7</sup>Carl H. Becker, *Secondary Education and Teacher Training in Germany* (New York, 1931), pp. 13-15. Thomas Alexander and Beryl Parker, *The New Education in the German Republic* (New York, 1929), pp. 358-62.

school, especially adapted to rural districts and with a vocational emphasis, was established. "Activity schools", inaugurated as early as 1909, were greatly extended. They were radical in method, centering all education around the natural life experiences of the child and dedicated to the reshaping of society through naturalistic education. Community schools (*Gemeinschaftschulen*) emphasized social, cooperative living as the essence of educational experience. Country home schools were established in an effort to counteract city influences and to make natural rural surroundings an educational force in the life of the city child. This attempt to overcome the evils of Germany's excessive urbanization was later continued and amplified by Nazi educators. The People's High Schools, which sprang up abundantly after 1919, were an attempt to solve the problem of adult education and to counteract the materialistic influences of German industrial and urban life. They were mainly night schools (a few boarding schools were set up), were mainly sponsored by worker groups, were entirely free of state control, and stressed liberal and cultural subjects in their relation to the life and interests of the people. They attacked the isolation of culture from the life of the nation and pioneered a new, humanistic approach, much in the spirit of the famous Danish Folk College, seeking to popularize knowledge and to break down the monopoly of "detached culture" by specialists and elite groups. They were highly democratic, non-political, and non-sectarian and sought to eliminate class barriers, dogmas, and prejudices. The Nazis, naturally, had little use for them and eventually supplanted them with their own characteristic forms of adult education, a part of their system of state control and indoctrination.

### *The Youth Movement*

Aside from schooling, formal or informal, a significant educational force of the Weimar period was the largely spontaneous activity and organization of youth. This movement had originated with the *Wandervogel*, an exceedingly informal association of youth (the first group having gathered in 1899 under the inspiration of Karl Fischer), and had rapidly spread throughout Germany and neighboring lands. It was what the name implies; a free and spontaneous association of youth in revolt against the rigid restraints of bourgeois social life, scholastic discipline, and the

artificialities and restraints, the materialism and stuffiness of German mores at the end of the century. Its watchwords were Nature, Folk, and Freedom. It grew naturally out of the disposition of the Germans to wander—a disposition especially strong now as a reaction to the restraints imposed by a mechanized urban civilization. It was an escapist movement which sought refuge in the loved objects of the German land and its history—old castles, pine woods, the old folk traditions, and shrines of historic and patriotic appeal. It reverted instinctively to the older roots of German life—to medieval and classical influences and to pagan Germanism. It was adventurous, romantic, addicted to the simple life, and non-conformist. Prior to 1914 it was almost purely individualistic in character, with little sense of social responsibility or urge for reform, although its members imposed upon themselves a code of self-discipline. Its aims were wholesome comradeship, recreation, and health, and a greater knowledge of the German fatherland—all transfused with an exhilarating sense of freedom.

The war of 1914 interrupted the movement but intensified the patriotism of youth and its sense of identity with the *Volk*. The movement revived amid the chaos and difficulties of the war's aftermath, chastened by a consciousness of social responsibility. The old leadership of the Reich had been discredited, and youth was more definitely committed to creating a new order nearer to its heart's desire, more realistic and seeking not escape from but mastery of the forces of machine-age civilization. The movement no longer held aloof from the national life but became associated with the various adult organizations, social, religious, and political, while retaining its own autonomy and youthful idealism. By 1927 the membership of the various organizations was as follows:

Lutheran	595, 772
Catholic	881, 121
Jewish	4, 750
Socialist	56, 239
Political	44, 300
Vocational	401, 897
Youth-Movement Clubs	29, 755
Athletic Associations	1, 577, 563
Miscellaneous	544, 400
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Total	4, 135, 797

These were united in a National Council of German Youth Organizations but, unlike the later

Hitler Youth, were not rigidly controlled by a centralized hierarchy.

The Weimar youth movement was more serious and less irresponsible than the pre-1914 *Wandervögel*. It continued and intensified, however, certain characteristics of the earlier movement. It was more nationalistic but not in a chauvinistic sense; it was mainly middle-class in composition and essentially democratic. More than ever the compact German landscape, rich in cultural tradition and not yet too completely industrialized or motorized, exerted a strong attractive force. Youth hostels were established in town, village, or open country (2,200 by 1929), providing comfortable and congenial facilities for youth on their rambles. The school authorities recognized and utilized the educational value of "wandering". Instructors and their classes often used youth camps on journeys of exploration into natural lore and folklore. Although the majority of high-school and university youth were members of some youth organization and although their extra-curricular activities were encouraged by the authorities, the state avoided exercising any direct control or supervision over the various groups. There was no effort to inculcate nationalistic ideals, yet the movement undoubtedly fostered a democratic and unifying spirit. An impartial contemporary observer could say: "There is not the slightest trace of false nationalistic propaganda in the movement, but it is infused with noble and worthy sentiments that any nation would do well to emulate."

Certain aspects of the movement more sinister in import may be noted. While essentially equalitarian and democratic in its own organization, the movement was never integrated with the Republic nor committed to its ideals. The Weimar credo aroused little enthusiasm. With the failure of successive regimes to solve the almost insuperable problems imposed by the economic and international situation, youth was estranged and disillusioned with the Weimar brand of democracy. Rightly or wrongly, many of the younger generation saw in the Republic only a reminder of national defeat and humiliation. They viewed its politicians as self-centered partisans and time-servers, its methods as corrupt or inept, its objectives as materialistic. Youth was increasingly in a mood to be swayed by some new and dynamic

ideology promising hope and the prospect of a "world fit for heroes". Moreover, German youth was never strongly oriented to cosmopolitan and international ideals. The troublesome and disappointing era, with its economic disasters, unemployment, and hopeless outlook for the generation just coming of age, accentuated the introvert tendency in the thinking and reactions of young Germany. The experiences of the Republic seemed to offer little hope of accommodation between Germany and her former—and always potential—enemies. Youth became convinced that a way out could be found only in a resort to nationalistic policies. Particularly in the harsh years from 1929 to 1932 they were inclined to repudiate a regime committed to a policy of "fulfilment" and to support extremist programs, especially those which seemed grounded in an intense and increasingly intransigent and uncompromising Germanism.

#### *Liberalism and Reaction*

The major tragedy of the Weimar Republic was perhaps that it failed to win the German people to whole-hearted devotion and support of its principles. That failure was reflected in its educational experience, and it rendered possible the success of the psychological *blitzkrieg* to which Hitler subjected the nation. The ultimate failure of the Republic to retool the German mind was due to no lack of idealism or good intentions. No modern constitution has ever placed greater stress upon education as a medium of social and international enlightenment than the document of 1919. It contemplated education in the spirit of freedom, democratic equalitarianism, and the harmonious adaptation of nationalism to the cosmopolitan environment. It was one of the only two constitutions—the other being that of republican Spain in 1931—of modern Europe to specify international conciliation as a goal of education. The debacle of 1918 had created a genuine, if temporary, reaction against militarism, which was evidenced in the abundant literature of a pacifist nature that marked the Weimar decade.<sup>8</sup> School textbooks were revised or rewritten and are generally admitted to have been admirably objective in their treatment of historical and international data. The higher schools gave more attention to the study of modern foreign languages and cultures. Correspondence with foreign students, as well as

<sup>8</sup> Charles H. Herford, *The Post-War Mind of Germany* (Oxford, 1927), pp. 28-34.

visits abroad, was systematically encouraged. Special bureaus in Berlin and Leipzig were established for the purpose of encouraging student exchanges and better mutual understanding of European cultures. It was widely realized that Germany's tragic experience of 1914-18 was due in part to misunderstanding of foreign peoples. Also, for the first time, civic education was extensively introduced, and a conscious effort was made to train for intelligent participation in political life. History instruction, while still centering upon Germany, emphasized cultural achievements and movements for unity and freedom rather than military enterprises.

Yet fundamentally the Republic failed to liberalize its schools. The old imperial bureaucracy, including most of the teaching personnel, which was virtually unchanged by the revolution, remained in office. A great majority of the teachers at all levels probably remained monarchists at heart or at best were lukewarm converts to the Republic. Some of the high educational officials in the various states pursued a reactionary policy. Republican ideals elicited little emotional response either from teachers or students. It is highly significant that in explaining the rights and duties of citizens to the state it was the German, not the republican, character of the state that was stressed. The work of the school was in large part neutralized by the incessant propaganda emanating from the army, veterans' groups, and other reactionary organizations. The essentially class basis of education remained relatively unchanged; moreover no effort was made to win over the teachers' corps. The Republic, deeply involved in its pressing economic and financial difficulties, did not offer its teachers adequate salaries, security, or satisfying prestige. Many teachers of the older age group still longed for the "good old days" and openly propagated monarchism in the classroom. Teachers of middle-class origin blamed the regime for the destructive inflation and the international humiliations to which the Reich was subjected. The youth themselves were never aroused to enthusiasm or a sense of true devotion by their republican schooling.<sup>9</sup>

So significant does the failure of the republican educators seem in retrospect that a more detailed examination of some of the forces making for reaction may be of value. One of these forces was simply the excessive subjectivity of German

thinking, which carried the stress on Germanism to extremes. Whether under monarchic, republican, or Nazi regimes, German education has emphasized the teaching of the study of the home environment (*Heimatkunde*), with its motto "from the homeland out". This stress on local folklore, geography, and history might have been entirely beneficial if it had not been exaggerated to the extent of making Germany the sole criterion of values and creating in the pupil's mind a one-sided picture of cultural development. The directive of the ministry of education of Saxony which exalted "Germanism as the fundamental idea of the entire education in the school" was typical.<sup>10</sup> There was a deliberate effort, even under the Republic, to awaken in the child a "feeling for the common racial and national unity". The life, institutions, and history of other peoples were to be presented only so far as they had decisively influenced German history. Foreign traits were to be studied only that the German character might become more clearly etched in contrast. In the secondary schools students were to learn to "feel, think and live in German"; instruction should be in the scientific spirit, but it must never "lose sight of its goal beyond the scientific—namely, education for a spiritual goal, and courageous, joyous Germanism". In all schools geography was used to cultivate a love for the native soil; literature, to unveil the German soul; music, to demonstrate German aesthetic pre-eminence; and history, to stimulate a will for the preservation of German culture.

This extreme orientation of the youthful German mind toward race, folk, and native culture might have been innocuous enough under more normal conditions, but in the turbulent times of the Weimar Republic it doubtless contributed to the distorted image the German people had already formed of themselves in relation to the outside world. It fertilized the mind of youth for the seeds of destructive racial and nationalistic propaganda soon to be sown broadcast over the land. This point deserves concrete illustration. To many a Weimar school child, the following

<sup>9</sup> Paul Kosok, *Modern Germany* (Chicago, 1933), pp. 168-73. Edgar A. Mowrer, *Germany Puts the Clock Back* (New York, 1939), pp. 153-65.

<sup>10</sup> Cecilia H. Bason, *The Study of the Homeland and Civilization in the Elementary Schools of Germany* (New York, 1937), p. 31.

stereotypes were true pictures of his own country and America:

GERMANY	AMERICA
Homeland	Vast, crude cities
A pure and vigorous race	Mixed, mongrelized races
Soulful music	Jazz, negroid music
Heroism	Mammonism and greed
Idealism	Materialism
Society as organic folk-community	Society as a chaos of unbridled individualism
Personality	Standardization
Esthetic appreciation	Esthetic illiteracy
Orderly government	Rule by the mob or by gangsters
Soldierly virtues	Excessive emphasis on competitive sports

Similarly, distorted pictures of other nationalities were uncritically accepted as truth. The majority of Germans traveled little outside their own borders; those that did carried their prejudices with them. The Republic, unfortunately, did little to overcome the German national disposition for misunderstanding alien peoples and cultures.

The teacher, generally a man, well-trained and respected in the community, is of unusual importance in the German school. He relies less upon textbooks or routine aids than an American teacher, and his personal presentation of material is all-important. It was a major tragedy, therefore, that, on the average, the Weimar teacher was not won over to republican principles. In thousands of classrooms monarchism, Prussianism, and militarism continued to be enulogized. A reactionary type of patriotism marked the attitude of a majority of the teachers. In many communities it was an act of martyrdom to profess republican or liberal convictions. The most progressive element was to be found in the elementary schools of the industrial districts; in the smaller towns and rural areas and in the upper schools everywhere reaction prevailed. Under these circumstances it is not surprising that little enthusiasm for republican ideals was aroused in the minds of youth. In one Berlin *Gymnasium*, according to a former student, the teachers taught contempt for democracy and exalted the Prussian monarchical ideal. He reports: "The flag of the democratic Republic was never raised in our hearts."<sup>11</sup> A survey of pupil opinion of children 11 to 14 years old in the *Volkschulen* in 1932 indicated that 69 percent

hated the French, 92 percent hated the Poles, and a majority accepted readily the prospect of a new war. Friedrich Walter, in *Der Vertrag von Versailles*, used widely in German schools under the Republic, stressed the following points:

- France's "annihilation policy" toward Germany
- The unfairness of the "war guilt" clause
- Allied violations of the Fourteen Points
- Economic discriminations against Germany
- German heroism, 1914-18; defeat due to overwhelming superiority of enemy forces
- Necessity of revising the Versailles Treaty if Germany is to live

Many teachers instilled a reactionary point of view under the guise of teaching reverence for the national past. A law of the Diet of Mecklenburg-Strelitz (June 1932) required that "German history henceforth be taught on decidedly nationalistic lines, with the aim of educating the young to militarism [*Wehrhaftigkeit*]."

Youth were educated not only by the schools but also through their total environment and associations. Social and cultural influences under the Republic were on the whole conservative, often reactionary. A society whose mores remained basically unchanged could not create a liberal atmosphere for its youth. Conservative parental influence doubtless undid many a lesson learned in liberal schools. *Reichswehr* officers lectured at many schools and universities as advocates of *Wehrwissenschaft* and soldierly ideals. The German cinema either was escapist or tended to glorify the "good old times" of monarchy and the exploits of German war heroes. No films glorified republican ideals. The numerous free corps movements as well as the revived *Reichswehr* kept alive the military concept. Above all it must be admitted that Germany's bitter national experiences of the era—defeat and humiliation, poverty, inflation, the liquidation of the middle class, the occupation of the Ruhr, the barriers to economic and professional opportunity, and the unclear guidance and spiritual chaos—all these combined to associate democracy, in the eyes of German youth, with national degradation, liberalism with self-centered individualism, and republicanism with economic and political chaos. Weimar youth craved a vision of the future and reasonable economic opportunity. The Republic could offer them neither.

<sup>11</sup> Edward Y. Hartshorne, *German Youth and the Nazi Dream of Victory* (New York, 1941), pp. 11-12.

The universities were the chief educational strongholds of reaction under the Republic.<sup>12</sup> The faculties were carried over essentially unchanged from the imperial regime. The students (numbering 130,000 in 1932) were either of the old privileged classes, always reactionary and now disgruntled at republican innovations, or of the middle classes, which had been decimated by inflation and depression. Many were hungry, hopeless of jobs in the economically foundering Republic, and bitterly hostile to "the System", which they blamed for their ills. They were anti-democratic, anti-socialist (few Social Democrats could find entrance into the higher schools), anti-cosmopolitan, and anti-Semitic. They looked forward to a day of victory over the enemies of Germany both within and without. Freedom to them became merely a symbol of the forces which had brought Germany to its present plight. Even before the advent of Hitler to power, students had begun to demonstrate against the few liberal professors. They opposed the "weak" policy of the Republic (the *Juden-republik* to many of them) and gravitated naturally to National Socialism, attracted by its militantly and fanatically nationalistic program. Probably a substantial majority sympathized more or less openly with the Nazis at the time of their advent to power.

The Republic failed to win over the universities. It left their administration in the hands of reactionary bureaucrats and professors; it retained the selective procedure whereby few but conservatives were ever able to matriculate; it failed to overcome their aloofness and intellectualism and to integrate them with the life and needs of the people; and it left the problem of unemployment in the intellectual professions not only unsolved but considerably more acute. The universities became a factor in the ideological attack upon the Republic and were speedily absorbed into the National Socialist educational establishment.

## Pan American Conference on Geography and Cartography

The Second Pan American Consultation on Geography and Cartography, to which all the American nations were invited by both the Brazilian Government and the Pan American Institute

of Geography and History, was held in Rio de Janeiro, Brazil, from August 14 to September 2, 1944. Delegates were present from all American nations except El Salvador, Haiti, and Nicaragua. The Brazilian National Council on Geography acted as host agency of the Brazilian Government. This meeting was preceded by a consultation of leading cartographers of the Americas which took place in the preceding year at Washington, D. C.

Mr. Robert H. Randall, member of the Bureau of the Budget and chairman of the Commission on Cartography of the Pan American Institute, was chief of the American Delegation as well as a vice chairman of the Consultation. Other official delegates of this Government were Col. Gerald FitzGerald, Army Air Forces; Capt. Clement L. Garner, Coast and Geodetic Survey; Mr. Otto E. Guthe, Department of State; Mr. Thomas P. Pendleton, United States Geological Survey; and Capt. Charles C. Slayton, Hydrographic Office of the Navy Department. Mr. Reginald Kazanjian of the American Embassy at Rio de Janeiro acted as secretary for the Delegation. Official observers from the United States Government were Cmdr. K. T. Adams and Lt. Cmdr. Paul A. Smith, Coast and Geodetic Survey; Cmdr. Irwin Chase, Hydrographic Office of the Navy Department; and Col. George G. Northrup, Army Air Forces.

Technical sessions, conducted as open meetings of the Commission on Cartography of the Pan American Institute, were organized under five discussion topics: Geodesy, topographic mapping, aeronautical charts, hydrography, and geography and cartography. Among the resolutions approved by the delegates to the Consultation were the furtherance of inter-American collaboration for improvement of basic mapping in the Americas; the standardization of symbols, scales, and projections used in map construction; the extension and coordination of basic control for surveys; the acceleration of mapping programs; and the promotion of effective exchange of cartographic materials and technically trained personnel.

Delegates to the Consultation visited various technical agencies of the Brazilian Government at Rio de Janeiro. Official visits were also made to Petrópolis, Volta Redonda, and Santos, and to technical agencies in the city of São Paulo.

<sup>12</sup> Edward Y. Hartshorne, *The German Universities and National Socialism* (Cambridge, 1937), pp. 42-45.

# The American Outlook in Foreign Affairs

*Address by ASSISTANT SECRETARY BERLE<sup>1</sup>*

[Released to the press October 21]

## LADIES AND GENTLEMEN:

During this season, your Forum has rightly decided to spend the major part of its time in discussing problems of foreign affairs. There could be no better subject.

The years 1944 and 1945 closely resemble the years 1919 and 1920, which followed the first World War. There is a difference. A definite attempt is being made, as the present World War approaches its climax and its end in Europe, to reach agreement on the fundamentals of peace during, rather than after, the war. At least a part of the difficulty with the settlements at Versailles, and the American attitude toward them, arose from the fact that new questions were suddenly uncovered and had to be settled without preparation through public discussion.

Some of us who were in the United States, later in Europe, and then returned to the United States in 1918 and 1919 had a startling experience. Matters which were elementary in Europe, where the war was being fought and peace was being made, seemed strange, sensational, and surprising to most Americans. This country had simply not tuned in on the European wavelength. We discussed here, as matters of petty partisan politics, subjects which meant life and death to millions of Europeans. Happily, that is one mistake which we shall not make this time. The position which America has in the world, and the part she must take in the ensuing peace, is being discussed on a high plane, and not as a matter of party politics.

This is mature democracy, and we can be proud of it.

## I

The first point to be made is that the United States is entitled to assert, and cannot escape asserting, an American point of view.

Up to a generation ago in our history we did not feel the necessity of initiating world policy. Our chief concern was with the development of the United States and the handling of affairs in conjunction with our neighbors in the Western Hemisphere. No one expected us to be a factor in the balance-of-power politics in Europe. We

had the surprising and unusual privilege of staying out of the main-line settlements. We had little or nothing to do with the defeat of Napoleon; and the kings, princes, and diplomats who met in the Congress of Vienna had little concern with us, or we with them. The Holy Alliance and the concert of powers assumed and got authority over Europe, and though their decisions made history, they hardly rated an item in the American press. This situation continued through the entire nineteenth century and well toward the twentieth. The intrigues and movements between imperial Russia and imperial Austria in the Balkans were subjects of romance and not of discussion. What interest had we in the seizure of Bosnia and Herzegovina, or the desires of Serbia to weaken the Hapsburg dynasty?

Even the crash of World War I affected us little; our major preoccupation was that American ships should not be seized by British warships or sunk by German submarines. We were drawn into that war really by two forces: the rising American indignation against German cruelty and wanton slaughter by land and by sea, and by the direct affront to the United States when Germany declared unrestricted submarine war. But we, as a nation, did not feel that we were particularly in danger, or that our national interests were vitally threatened. Space and time still protected us adequately.

Yet in Europe a quite different notion prevailed, and history shows that the European view was right, and that ours was wrong. Europeans saw the United States as a country capable of developing great force, economic and military, and capable of putting that force onto the other side of the world and settling the outcome of Old World struggles. The record shows that military leaders in Europe, and particularly in Berlin, began by assuming that this was a military impossibility, and ended by realizing that a new force existed which had to be taken into account. From that moment on, America figured in every European calculation—though we sailed blissfully

<sup>1</sup> Delivered before the Charles Carroll Forum of Washington, Washington, Oct. 20, 1944.

through the 1920's and the early 1930's in complete ignorance of that fact.

We were due for a rude shock, and we got it. Secretary Hull had been steadily warning the country that the Axis partners planned world conquest, no less, and that this meant a threat to the United States. The President vainly endeavored to make the country realize that aggression in Europe and Asia now involved the United States. But there were all too many people in the country who were living in the past: international affairs were primarily European in origin; America could take them or leave them. While the country was considering the situation without particular disturbance, Hitler made an alliance with Japan.

That alliance was directly aimed at this country. The military theory behind it was perfectly clear. Hitler's plans contemplated the domination of this hemisphere, probably beginning with South America. Also, he had to reckon on the possibility that we might not wait till he attacked but might defend on the other side of the ocean, as we now are doing. His alliance with Japan was so drawn up that in either case the Japanese would declare war on the United States. Equally, should the Japanese attack us, the Germans would join in the attack. This, it was thought, would tie up substantially all the American fleet in the Pacific and would render it impossible for this country to take any substantial military action in the Atlantic or in Europe. With us engaged in the Pacific, Hitler was reasonably confident that he could defeat his European victims.

This was a diplomatic situation which we could not take or leave at our option. We were included in the diplomatic-military game, whether we liked it or not.

It is clear now that we shall never again be able to say for ourselves whether we shall or shall not be a part of world diplomacy. Even without a world organization, no great power in the future will make world plans without calculating the position of this country. Either we shall be consulted and our agreement asked, or arrangements will be made to keep us occupied or out of action if the plans are hostile to us.

There is just no escape from this. A country which has been able to fight a huge war in the Pacific with brilliance and success, and at the same time to keep and maintain an army of some mil-

lions operating on the continent of Europe, and while doing that, to make herself the arsenal for many other countries combined—a country which can do that will always figure in every international calculation, whether it wills or no.

This condition of necessity compels the United States to consider and to make up its mind in a great number of situations which, in years gone by, we merely ignored.

We had, and we will continue to have, a permanent stake in the continued peace and security of the world, because we have a permanent interest and stake in our own peace and security. The combination of circumstances not only entitles us but obliges us to have and to maintain an American point of view. In these circumstances, isolation at best means weakness and at worst positive danger.

## II

I think it probable that the changed position of the United States does mean some evolution in our own practices in dealing with foreign affairs. In fact, that evolution has already begun.

When we were a small country, or an isolated country, we did not as a general rule take initiative in foreign affairs. Rather, we considered proposals made by other countries, and passed upon them, agreeing to them or refusing to join as our interest dictated. The constitutional processes set up in 1787, indeed, were adapted to that end: international commitments were negotiated by the executive branch of the Government and presented then to the Senate, or, in some cases, to both Houses of the Congress, for ratification. The Congress was not bound in any way by the governmental negotiation. It could and frequently did decline to accept the results of negotiation. This meant, in substance, that agreements to take future action could not be made. The position was advantageous for the representatives of the small country. For a great power it was not so advantageous; and method had to be found by which the legislative and executive branches of the Government could act together.

Other governments—for example, that of Great Britain—do not have the same difficulty. A Cabinet, responsible to a Parliament, has its majority in its legislature assured in advance, and such commitments as it makes will be those which it is known the legislature will accept. Some equivalent for this had to be found in the United States,

and some measure of progress has already been worked out.

One of the great developments in method was worked out by Secretary Hull in the Trade Agreements Act. In substance, this act gives advance legislative authority for agreements which follow a line of policy; and the debate upon that policy thus precedes the actual negotiation of the agreement. For 10 years this mechanism has worked with great success.

A second practical development is presently going forward. This is the process of consultation of the congressional leaders and the relevant committees of Congress by the Executive, in the formative stages of policy. Consultation had between members of the Senate and the Congress by the President and by Secretary Hull in advance of the Dumbarton Oaks conference is a matter of history and has received the general approval of the American public. In still other fields, this practice has been made general: The relations between the executive officials primarily concerned with the early phases of air settlements, and the congressional committees, have been continuous and close; and certainly, from the side of the Executive, I can testify to the very great usefulness and profit which has been drawn from these consultations, which have been going forward for a period of well over a year. As this consultative practice proceeds, it is fair to assume that a practical solution of the problem will be found within the framework of our constitutional practice. We shall, I believe, arrive at a point where foreign affairs become increasingly non-partisan, although the subject-matter is increasingly laid out for public discussion.

Indeed, such a development is essential, in view of our major interest. Peace and security may well depend, in any given set of circumstances, on whether other countries can know with certainty what we will do—and that means knowing in advance, and not afterward. It has frequently been argued that if Germany in 1914 had known with certainty that Great Britain would declare war upon her if she attacked Belgium, there would have been no World War I. Proponents of that theory insist that Britain did not define her position until too late, and thereby permitted the Kaiser and the German General Staff to continue in the illusion that they could reckon without the force of Great Britain.

It is not difficult to imagine that a similar set of circumstances may apply in the future to us, and that the peace and security of the world, and incidentally of the United States, may well depend upon the ability of an American President or of an American Secretary of State to make the position of this country clear in advance, with the certainty that the Congress will back him up. All that is really called for is an increasingly close relationship between the executive and the legislative branches of the Government, and an increasing knowledge by the American public of the real position of affairs at any given time.

This last deserves emphasis. No President, no Secretary of State, can move beyond the limits set on them by the Congress; and no Congress can move beyond the limits set on it by public opinion. The three elements must march together in the development of policy, realizing that the failure of any one of them may mean sacrifice of the vital interests of the country.

### III

By now it is reasonably clear that the overwhelming majority of Americans realize perfectly that they must play a part in world affairs.

As matters now stand, indeed, this country has probably the greatest potential both for war and for peace possessed by any single nation in the world. This situation may change: The Soviet Union has a larger territory, quite as well equipped with natural resources as do we, and it has a larger population, and it has demonstrated its ability to engage in industrial production and mechanical development. There are also two great countries with immense latent power: China, with a huge population and a not inconsiderable outfit of natural resources, and Brazil, with a territory larger and richer than that of the United States and a population which is likely to grow rapidly both because of its birthrate and because of European immigration. Our present population can unquestionably be maintained in absolute figures and can be improved. Relatively, however, we must assume that other countries will come along, slowly or rapidly, as their genius of organization permits. The British Commonwealth, with a vast organization throughout the world, indeed depends now more on its power of organization of immense and scattered areas than upon the concentrated potential of any one area, and thus has a unique position in world affairs.

Probably these simple facts, more than any elaborate reasoning, determine American thinking. A country whose primary interest is the assurance of peace and security throughout the world in essence has only three alternatives. It can attempt the maintenance of peace through continuous balancing of power—the scheme followed during the nineteenth century with occasional successes and conspicuous failures. The United States has never accepted the balance of power as anything more than a doubtful expedient, and would prefer to see the system discarded.

The second alternative is world conquest: the creation of a new world-wide Roman Empire.

No sane man believes that possible. A madman by the name of Hitler thought it could be done; and he should know better tonight.

The third alternative is a cooperative system based on mutual respect and relationships, out of which international institutions may be soundly built.

In the further future, a statesman must likewise consider the emergence of India; and the re-emergence of the potential of Western Europe may not be far away. In these circumstances, the cooperative solution is the only rational line capable of being followed.

Is this a change in American policy? Plainly not, though it reflects change in method. Historically the United States has always talked the language of world peace, but has preferred to exercise influence only by example and by persuasion. Even after the defeat of the Covenant of the League of Nations in the Senate in 1919, this country stimulated and supported conferences looking toward disarmament—that being the method chiefly advocated as a means of assuring world peace. The Kellogg-Briand pact outlawing war was an American attempt to act through strictly moral force, since the treaty itself provided no means of enforcement. In point of fact, American attempts to meet the problem of world peace were continuous from 1921 on; but they assumed that agreements to keep the peace, followed by disarmament through general consent, would be sufficient for the task. It remained for the Axis to make it unhappily clear that agreements are not self-executing and can be broken, and that policing is as necessary as piety. Probably the fact that air warfare puts this country out of the class of distant spectator and in the direct range of events was the most powerful argument of all. There was

universal approval when the Atlantic Charter, put forward in August 1941, forecast as a joint aim of the United States and Britain the establishment of a wide and permanent system of general security, plainly implying closer relations between a number of countries; and there was universal approval when Secretary Hull brought back from Moscow the pledge that the Soviet Union, Britain, China, and the United States would endeavor to construct, as soon as practicable, international institutions designed to preserve peace.

That work has been carried forward at Dumbarton Oaks and may be reasonably regarded as well advanced. It may fairly be said that the fact of the Dumbarton Oaks agreement is probably even more important than the text of the agreement itself. No two nations will use the same language, even when they have the same idea; just as two men even when they are like-minded will commonly express themselves differently. Nor is it to be expected that institutions are created complete; they grow and develop as experience is gained and as mutual confidence rises. The ultimate strength of the Dumbarton Oaks proposals must rest on the common realization that everyone's national interest is forwarded by the success of the experiment. In the early stages there is a great hope, accompanied by faith and by a determination that the experiment shall be a success. Gradually, as the inherent usefulness of the process appears, hope and faith are strengthened by actual experience.

I think it is fair to say that the feeling in the United States, strong as it is, perhaps yields by comparison to the feeling of the people in Europe. They have seen these great experiments tried—as in the case of the League of Nations; they are skeptical of words. But they know the price of failure, as we do not. Great masses in the Old World literally looked over the brink of extinction: They faced not merely the wounds and scars which were familiar to them from older wars but the actual and tangible possibility of being wiped off the face of the planet. They know, as we do, that a next war, should it exist, will probably disclose weapons 10 times more powerful than those we know today—just as the armies in World War I were bow-and-arrow troops compared to the mechanized land and air armies of the present. No national interest, in the limited sense, can compare with the people's interest in the survival of their civilization. To them, debate over relatively minor problems of organization is almost beside

the point. The thing simply must work.

Some of us have had the doubtful privilege of seeing a little into the processes of scientific research which war has pushed forward with the exigence of necessity. It is very much like looking over the rim of hell. For man is increasingly learning to unlock nature on the grand scale; and nature is replying that man had better learn to restrain himself. It is literally true that science is showing us ways of conducting diabolically efficient offenses, but is showing us few, if any, comparable defenses. It needs only slight progress in a few fields—a progress already foreshadowed by existing experiments—to make it possible for any group of men, anywhere, to threaten the existence of almost any other group of men anywhere else, more or less irrespective of geography.

And so we are brought back, as always, to an ultimate realization of certain moral imperatives. Beginning with the national interest in independence, peace, and security, and then proceeding to the reality that our independence and peace and security are safe only if the world is reasonably peaceful and secure, and flanking that knowledge with the consciousness that a number of countries—and ultimately any reasonably sized country—may command weapons capable of shattering much of the fabric of civilization, we are necessarily led to the realization that what goes on in men's minds is of first importance. In a small state across the sea, a group of men with concrete-mixers may be building a structure. Only their own desires dictate whether that structure may be something capable of launching a robot bomb of unheard-of size, loaded with explosives of undreamed potential, or whether it is a quite innocent stadium for healthy sport. Unless you are to conquer the world, you can only influence the minds of those men with their concrete-mixer by some general acceptance of common values. This means conquest or conversion; and conquest is impossible.

For this reason the American outlook on international affairs must be universal, and it must base itself on certain eternal values: the value of life as against death; the value of happiness as against misery; the value of freedom as against bondage; the value of good-neighborship as against the value of domination. There can be no other sound approach.

## The Proclaimed List

[Released to the press October 22]

The Secretary of State, acting in conjunction with the Acting Secretary of the Treasury, the Attorney General, the Secretary of Commerce, the Administrator of the Foreign Economic Administration, and the Coordinator of Inter-American Affairs, on October 21 issued Cumulative Supplement 2 to Revision VIII of the Proclaimed List of Certain Blocked Nationals, promulgated September 13, 1944.

Part I of Cumulative Supplement 2 contains 33 additional listings in the other American republics and 209 deletions. Part II contains 103 additional listings outside the American republics and 32 deletions.

## International Conference on European Inland Transport

[Released to the press October 17]

A United States Delegation is participating in an international conference in London on European inland transport. The United States Delegation is headed by Ambassador John G. Winant and Maj. Gen. Frank Ross and includes Mr. Philip D. Reed, Chief of American Mission for Economic Affairs, London, Mr. Cassius M. Clay, Solicitor General of the Baltimore and Ohio Railroad on leave with the Department of State, Mr. Robert G. Hooker, Jr., and Miss Helen Moats of the Department of State, Mr. John M. Allison of the American Embassy in London, Mr. Winthrop G. Brown of the American Mission for Economic Affairs, London, and Lt. Col. C. Z. Case, alternate for General Ross.

The conference was convened to discuss arrangements regarding inland transport in continental Europe after the liberation of territories of the United Nations in Europe and the occupation of any enemy territories, with a view to ensuring rapid movement of supplies for both the military forces and the civilian populations, to providing for the transport of displaced persons, and to creating conditions in which the normal movement of traffic can be more rapidly resumed.

The countries participating in the conference are Belgium, Czechoslovakia, France, Greece,

Luxembourg, the Netherlands, Norway, Poland, the United Kingdom, the United States, the Union of Soviet Socialist Republics, and Yugoslavia. The Danish Minister in London has been invited to send an observer.

The opening meeting of the conference took place at Lancaster House, St. James, London, on October 10, under the chairmanship of Mr. P. J. Noel Baker, Parliamentary Secretary to the Minister of War Transport.

## The President's War Relief Control Board

### CORRIGENDA

BULLETIN of October 1, 1944, page 347, first column, first paragraph, second line: Delete "not" and in lieu thereof insert "now"; same paragraph, third line: Delete "but was" and in lieu thereof insert a comma; page 348, second column, third paragraph, eleventh line: Delete "only" and in lieu thereof insert "ordinarily."

## THE FOREIGN SERVICE

### Consular Offices

The American Vice Consulate at Mendoza, Argentina, was closed on October 14, 1944.

The American Consulate at Rome, Italy, was opened to the public on October 16, 1944.

## TREATY INFORMATION

### Jurisdiction Over Armed Forces

On October 11, 1944, under authority of the act of June 30, 1944, Public Law 384, 78th Congress, entitled "An act to implement the jurisdiction of service courts of friendly foreign forces within the United States, and for other purposes", the President issued Proclamation 2626<sup>1</sup> respecting armed forces of the United Kingdom and Canada

within the United States. Agreements regarding criminal offenses committed by members of armed forces have been concluded by the United States with the United Kingdom<sup>2</sup> and Canada.<sup>3</sup>

## Inter-American Institute of Agricultural Sciences

### Venezuela

The Director General of the Pan American Union informed the Secretary of State, by a letter of October 12, 1944, that on October 10, 1944 the Ambassador of Venezuela in the United States, Señor Dr. Don Diógenes Escalante, signed in the name of his Government, with reservations, the Convention on the Inter-American Institute of Agricultural Sciences, which was opened for signature at the Pan American Union on January 15, 1944.

A translation of the Venezuelan reservations follows:

**FIRST:** With respect to the stipulation contained in article XII by which the signatory states undertake to grant exemption from State or Municipal taxes in favor of the real property belonging to the Inter-American Institute of Agricultural Sciences, it declares expressly that it cannot grant the said exemption, because the system of such taxes does not come within the competence of the Federal Power, according to number 3 of section 4 of article 17 of the National Constitution.

**SECOND:** With respect to the stipulation contained in section 2 of article XVI, by which it is provided that the future destiny of the Institute shall be determined by the Board of Governors of the Pan American Union, in case the present Convention should cease to be in effect, the Government of Venezuela reserves to itself the rights that may belong to it, should that eventuality arise, with regard to the real property situated in its territory which might be devoted to the purposes contemplated in the Convention, and which cannot be transferred, ceded nor alienated or incumbered in any way except in conformity with the laws in force in the country.

<sup>1</sup> 8 *Federal Register* 12403.

<sup>2</sup> Executive Agreement Series 355.

<sup>3</sup> Executive Agreement Series 405.

## THE DEPARTMENT

### Functions and Responsibilities of the Shipping Division, Office of Transportation and Communications<sup>1</sup>

*Purpose.* This order is issued in order to clarify and amplify the description of functions and responsibilities of the Shipping Division, Office of Transportation and Communications, as set forth in Departmental Order 1218 of January 15, 1944, pp. 10 and 11. It is necessary that the functions of this Division be understood throughout the Department, in order that matters belonging primarily within the scope of its responsibilities will be referred to that Division and in order that the Shipping Division will be consulted on matters handled by other offices when aspects of problems or policy bear on international shipping.

1 *Functions and responsibilities of the Shipping Division.* The Shipping Division of the Office of Transportation and Communications shall have responsibility for the initiation, formulation, and coordination of policy and action of the Department of State in matters concerning international shipping (excepting those functions relating to shipping space requirements and allocations vested in the Division of Supplies and Resources of the Office of Wartime Economic Affairs). This includes such activities as:

(a) Analysis and study of all international aspects of shipping and, in cooperation with other economic and geographic divisions, formulation of policy concerning the economic, commercial, and political aspects of international shipping.

(b) Observation and review of developments in the maritime services and laws of other countries in order to identify and advise on their implications to the foreign policy of the United States.

(c) Analysis and recommendation with regard to foreign policy aspects of subsidies and other governmental assistance to shipping and with regard to discriminatory laws or practices against American shipping.

(d) Development and recommendation on foreign policy aspects involved in relationships between private and governmental shipping, with particular reference to problems of the transitional period of adjustment from war to post-war conditions.

(e) In cooperation with the geographic and other interested offices of the Department, conduct of negotiations between foreign governments and the Maritime Commission and War Shipping Administration with regard to disposal of tonnage, transfer of nationality, redistribution of ships to essential trade routes, and other shipping matters.

(f) Formulation and carrying through of policy recommendations on matters that involve the effect of ocean freight rates, marine insurance rates, and war risk insurance rates on foreign trade.

(g) Analyzing and making recommendations regarding legislation and executive orders affecting international shipping, and international conventions, treaties, and agreements governing shipping and shipbuilding industries.

(h) Analyzing and recommending on policy of the Department regarding revision of navigation laws and their adjustment to current sea-going conditions.

(i) Interpretation and liaison in all matters within the responsibility of the Division relative to international conventions concerning seamen.

(j) In cooperation with the Office of the Foreign Service and other interested divisions, and in collaboration with the Maritime Commission and other agencies, drafting of instructions to the Foreign Service establishments regarding reports on matters of economic and political significance in the maritime services and shipbuilding industries of other countries.

(k) Analyzing reports from the field for developments that are significant from a policy standpoint, and furnishing of pertinent information to offices of the Department or other Government agencies on international shipping matters.

(l) Analysis of regulatory measures and standards that affect shipping and trade, in order to determine their relationship to foreign policy.

2 *Relations with other divisions of the Department and other agencies.* In carrying out these

<sup>1</sup> Departmental Order 1291, dated Oct. 13, 1944, effective Oct. 16, 1944.

functions and responsibilities, the Shipping Division shall work closely with the geographic, economic, and other divisions of the Department which may be concerned. The Shipping Division shall maintain effective liaison with the Maritime Commission, the War Shipping Administration, the Navy Department, the Commerce Department, and other departments and agencies of the Government concerned with shipping and seamen.

3. *Routing symbol.* The routing symbol of the Shipping Division shall continue to be SD.

CORDELL HULL

### Consular Services to Ships and Seamen<sup>1</sup>

*Purpose.* This order is issued to centralize within one division the responsibility for direction and administration of the work of the Department of State concerned with consular services to ships and seamen by the Foreign Service of the United States.

1 *Transfer of responsibility for consular services to ships and seamen.* The responsibility for direction and administration of the work of the Department concerned with protection abroad of seamen and official services to ships by the Foreign Service of the United States, is hereby transferred from the Shipping Division, Office of Transportation and Communications, to the Division of Foreign Service Administration, Office of the Foreign Service. This includes such activities as: (a) shipment, discharge, relief, repatriation, and burial of seamen, and also services to American aircraft and crews; (b) adjustment of disputes between masters and crews of vessels; (c) handling of estates of deceased seamen; (d) issuance of bills of health, and liaison in that connection with the United States Public Health Service; and (e) assistance to masters of vessels in matters relating to entrance and clearance of vessels in foreign ports and in ports of the United States.

2 *Departmental Order amended.* Departmental Order 1218, January 15, 1944, (p. 10 and p. 41) is accordingly amended.

CORDELL HULL

### Changes in Organization of the Office Of Wartime Economic Affairs<sup>2</sup>

*Purpose.* This order effects certain organizational changes among the Divisions of the Office of Wartime Economic Affairs, including the abolition of two divisions and the renaming of two divisions, and outlines the main functions of the Supply and Resources Division in terms of its sectional organization and states certain of its functions in detail. It also makes certain related and clarifying adjustments in the Office.

1 *Title and organization of the Supply and Resources Division.* The title of the Supply and Resources Division is hereby changed to War Supply and Resources Division. The principal functions of the War Supply and Resources Division, as outlined in Departmental Order 1218, January 15, 1944 (pp. 12 and 13), are conducted by the following sections:

(a) The Industrial Resources Section is concerned with the discharge of the Division's responsibility with respect to all wartime economic problems relating to supplies and resources other than agricultural.

(b) The Agricultural Resources Section is concerned with the discharge of the Division's responsibilities with respect to all wartime economic problems relating to agricultural supplies and resources.

(c) The Shipping Section is concerned with the discharge of the Division's responsibilities in wartime shipping matters.

(d) The Munitions Control Section is concerned with administration of Section 12 of the Neutrality Act of November 4, 1939, the Helium Act of September 1, 1937, and the Tin Plate Scrap Act of February 15, 1936. For purposes of clarification, these responsibilities are described more fully in section 2 of this order.

(e) The Surplus Property Section is concerned with the interim coordinating role of the Division in matters that concern surplus war property. In this connection, the Section services the Director of the Office of Wartime Economic Affairs who is the liaison officer of the Department of State with the government agency handling surplus property. In discharging the Section's responsibility for coordinating the policy of the several offices and divisions of the Department concerned

<sup>1</sup> Departmental Order 1292, dated Oct. 13, 1944, effective Oct. 16, 1944.

<sup>2</sup> Departmental Order 1293, dated Oct. 13, 1944, effective Oct. 16, 1944.

with various aspects of surplus war property and related matters, including installations abroad, the Surplus Property Section assumes the initiative for convening from time to time, and acting in concert with, a working group of representatives of the various divisions concerned, including the Commodities Division and the Division of Commercial Policy and the Division of Financial and Monetary Affairs, Office of Economic Affairs, and the office of the Legal Adviser, together with such other units within the Department (including the Shipping Division, the Aviation Division, and the Telecommunications Division) as may be involved in particular matters.

(f) The Wartime Trade Policy Section is concerned with coordination of Departmental views on the economic policies to be followed in the application of wartime trade controls by various governmental agencies. In this connection, the Section convenes and acts with a working group of representatives of the various divisions concerned, including those of the Office of Economic Affairs.

2 *Description of the functions of the Munitions Control Section.* For purposes of clarification, the duties of the Munitions Control Section, War Supply and Resources Division, are described in detail:

(a) Initiation of policy and action of the Department on problems arising from the international traffic in arms, ammunition, and implements of war and other munitions of war, and the relation of such controls to the national defense of the United States;

(b) Formulation of policy regarding treaties and international agreements, and obligations under treaties and agreements, pertaining to international traffic in arms, ammunition and implements of war and other munitions of war;

(c) Performance of duties with which the Department may be concerned in connection with the administration of the Tin Plate Scrap Act of February 15, 1936 and the Helium Act of September 1, 1937;

(d) Performance of all necessary duties in connection with the administration of the statutes providing for the control of the international traffic in arms, ammunition and implements of war and other munitions of war, so far as the administration of these statutes is vested in the Secretary of State;

(e) Assistance to the Secretary of State in the performance of his duties as Chairman and Executive Officer of the National Munitions Control Board;

(f) Assistance to the Department of Justice and other Departments and agencies of the Government, as may be required, in the investigation and prosecution of violations of the treaties and statutes within the scope of the duties of the section;

(g) Performance of duties with which the Department may be concerned in connection with the administration of sections (1) and (2) of title 1 of the Espionage Act, dated June 15, 1917, relating to the exportation of articles involving military secrets;

(h) Performance of necessary duties as may concern the Department in connection with the clearance of all military and other inventions with the National Inventors' Council, Department of Commerce;

(i) Conduct of special surveys and studies as may be required by the Director of the Office of Wartime Economic Affairs or the Secretary of State; and

(j) Maintenance of liaison with the War and Navy Departments and with other Departments and agencies of the Government regarding matters within the jurisdiction of the section.

These duties require that the Munitions Control Section shall maintain liaison with the various interested divisions within the Department, and that the various divisions of the Department shall consult with the section in matters pertaining to the responsibilities of the section.

3 *Change in title of the Liberated Areas Division.* The name of the Liberated Areas Division is hereby changed to War Areas Economic Division.

4 *Abolition of the Eastern Hemisphere Division and transfer of its functions.* The Eastern Hemisphere Division is hereby abolished. Its functions and personnel responsible for initiation and coordination of policy and action in wartime economic matters pertaining to European neutral countries and their colonial possessions, France and the French Empire, Belgian Congo, Turkey and the Middle East, are transferred to the War Areas Economic Division. The functions and personnel of the Eastern Hemisphere Division responsible for coordination of policy and action in

all wartime economic matters pertaining to other countries of the Eastern Hemisphere including the British Empire and, in the Western Hemisphere, to Iceland, Greenland, Canada and British Colonies and Possessions (except in the Caribbean area and in South America) are transferred to the War Supply and Resources Division.

5 *Abolition of American Republics Requirements Division and transfer of its functions.* The American Republics Requirements Division is hereby abolished. Its functions and personnel are transferred to the War Supply and Resources Division.

6 *Amendment of Departmental Order.* Departmental Order 1248 of January 15, 1944 (pp. 12-15) is accordingly amended.

7 *Routing symbols.* The routing symbol for the War Supply and Resources Division shall continue to be SR, and for the War Areas Economic Division, LA.

CORDELL HULL

## Functions of the Adviser on Refugees And Displaced Persons<sup>1</sup>

*Purpose.* The growing activities of the Department on the foreign policy aspects or problems of displaced persons warrant a clarification of the responsibilities of the Adviser on Refugees and Displaced Persons, Office of Wartime Economic Affairs (Departmental Order 1227, February 16, 1944).

1 *Changing emphasis in the work of the Adviser on Refugees and Displaced Persons.* The work of the Adviser on Refugees and Displaced Persons, in the Office of Wartime Economic Affairs, has been growing as the devastation and dislocations of the war have spread and as the United Nations governments have become more active in planning and taking measures to cope with resulting conditions. The stress will fall increasingly on the problem of displaced populations. This problem must be worked out in terms of long-range interests and policies which take into consideration social and economic, as well as political, conditions of particular areas and countries of the world. The problems of displaced persons which are arising from wartime conditions are admittedly of a nature that demands planning and attention for

an extended transitional period lasting well into the period after cessation of hostilities. Later they will merge into long-run problems of migration and settlement.

2 *Functions of the Adviser on Refugees and Displaced Persons.* The Adviser on Refugees and Displaced Persons shall be responsible for the following functions:

(a) Coordination of policy and action on all displaced persons and refugee affairs within the Department of State.

(b) Special research and analysis on problems connected with displaced persons and refugees to develop data and recommendations for meeting these problems during the period of hostilities and the post-war period.

(c) Development of documents and studies and participation in the deliberations of the Special Committee on Migration and Resettlement.

(d) Representation for the Department, as the United States representative, on the Technical Advisory Committee on Displaced Persons of the Council of the United Nations Relief and Rehabilitation Administration.

(e) Following for the Department of State the activities of the Intergovernmental Committee on Refugees meeting in London and, when appropriate, assisting in its work.

(f) Provision of the secretariat of the interdepartmental committee known as the Special Committee on Migration and Resettlement.

(g) Liaison between the Department and the War Refugee Board, established by Executive Order 9417 of January 22, 1944. The Board, consisting of the Secretary of State, Secretary of the Treasury, and Secretary of War, is responsible for "the development of plans and programs and the inauguration of effective measures for (a) the rescue, transportation, maintenance and relief of the victims of enemy oppression, and (b) the establishment of temporary refuge for such victims". The Secretariat of the Board is a unit in the Treasury Department. The liaison relation of the Department of State is indicated in section 3 of Executive Order 9417, which directs that:

It shall be the duty of the State, Treasury, and War Departments, within their respective spheres, to execute at the request of the Board, the plans and programs so developed and the measures so inaugurated. It shall be the duty of the heads of all agencies and departments to supply or ob-

<sup>1</sup> Departmental Order 1294, dated Oct. 13, 1944, effective Oct. 16, 1944.

tain for the Board such information and to extend to the Board such supplies, shipping and other specified assistance and facilities as the Board may require in carrying out the provisions of this Order. The State Department shall appoint special attachés with diplomatic status, on the recommendation of the Board, to be stationed abroad in places where it is likely that assistance can be rendered to war refugees, the duties and responsibilities of such attachés to be defined by the Board in consultation with the State Department.

3 *Relationships of the Adviser on Refugees and Displaced Persons with other offices and divisions.* In coordinating and taking action on matters within its jurisdiction, the Adviser on Refugees and Displaced Persons shall consult and work in cooperation with the geographic divisions, the Labor Relations Division, the Office of Special Political Affairs, the Division of Special War Problems, and any other units which from time to time may be concerned. These offices shall assure that matters concerning international migration and displaced persons and refugees which may arise in the course of their work are referred to the Adviser on Refugees and Displaced Persons.

4 *Routing symbol.* The routing symbol of the Adviser on Refugees and Displaced Persons shall continue to be WRB.

CORDELL HULL

### Appointment of Officers

Jesse E. Sangstad as Chief of the Shipping Division, effective October 13, 1944.

*The following designations are effective October 16, 1944:*

Wayne G. Jackson as Deputy Director, Charles F. Knox as Adviser, Robert D. Howard as Executive Officer, and Mrs. Nancy W. Davis as Acting Information Liaison Officer, Office of Wartime Economic Affairs.

Courtney C. Brown as Chief, and Everett R. Cook, Frederick W. Gardner, and Hallett Johnson as Advisers, War Supply and Resources Division.

Livingston T. Merchant as Chief, and Elmer G. Burland, Dallas Dort, Sidney L. W. Mellen, Edward G. Miller, Stephen A. Mitchell, Abbott Low Moffat, Orsen Nielsen, James A. Stillwell, and

Frederick Winant as Advisers, War Areas Economic Division.

## LEGISLATION

Administration of Alien Property: Hearing Before Subcommittee No. 1 of the Committee on the Judiciary, House of Representatives, 78th Cong., 2d sess., on H.R. 4840 (subsequently amended and reintroduced as H.R. 5031) To Amend the First War Powers Act, 1941; June 9, 13, 14, and 15, 1944, Serial No. 18. iv, 133 pp.

The Merchant Marine in Overseas Aviation: Executive Hearings Before the Subcommittee on Merchant Marine in Overseas Aviation of the Committee on the Merchant Marine and Fisheries, House of Representatives, 78th Cong., 2d sess., on H.Res. 52, a Resolution Authorizing Investigation of the National Defense Program as It Relates to the Committee on the Merchant Marine and Fisheries; Sept. 11, 12, and 13, 1944. [State Department, p. 78.] iii, 247 pp.

To Permit the Naturalization of Approximately Three Thousand Natives of India: Hearings Before a Subcommittee of the Committee on Immigration, United States Senate, 78th Cong., 2d sess., on S. 1595, a Bill To Permit Approximately Three Thousand Natives of India Who Entered the United States Prior to July 1, 1924, To Become Naturalized; Sept. 13 and 14, 1944. iii, 53 pp.

## PUBLICATIONS

### DEPARTMENT OF STATE

Presidential Elections: Provisions of the Constitution and of the United States Code. Publication 2177. 14 pp. Free.

United Nations Monetary and Financial Conference, Bretton Woods, New Hampshire, July 1 to July 22, 1944: Final Act and Related Documents. Conference Series 55. Publication 2187. iii, 122 pp. 25c.

Military Mission: Agreement between the United States of America and Ecuador—Signed at Washington June 29, 1944; effective June 29, 1944. Executive Agreement Series 408. Publication 2184. 14 pp. 5c.

Construction of a Port and Port Works: Agreement between the United States of America and Liberia—Signed at Monrovia December 31, 1943; and exchange of notes. Executive Agreement Series 411. Publication 2186. 7 pp. 5c.

Jurisdiction Over Criminal Offenses Committed by the Armed Forces of the United States in the Belgian Congo: Agreement between the United States of America and Belgium—Effectuated by exchanges of notes signed at Washington March 31, May 27, June 23, and August 4, 1943. Executive Agreement Series 395. Publication 2180. 7 pp. 5c.

Military Mission: Agreement between the United States of America and Peru—Signed at Washington July 10, 1944;

effective July 10, 1944. Executive Agreement Series 409. Publication 2185. 14 pp. 5c.

The Proclaimed List of Certain Blocked Nationals: Cumulative Supplement No. 2, October 20, 1944, to Revision VIII of September 13, 1944. ii, 30 pp. Free.

#### OTHER GOVERNMENT AGENCIES

The articles listed below will be found in the October 21 issue of the Department of Commerce publication en-

titled *Foreign Commerce Weekly*, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Mexican Fats and Oils Meet Wartime Challenge", based in part on a report from the American Embassy, México, D.F.

"Brazil's Chemical and Drug Industries and Trade Expand" by Aldene Barrington Leslie, economic analyst, American Embassy, Rio de Janeiro.



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# THE DEPARTMENT OF STATE BULLETIN

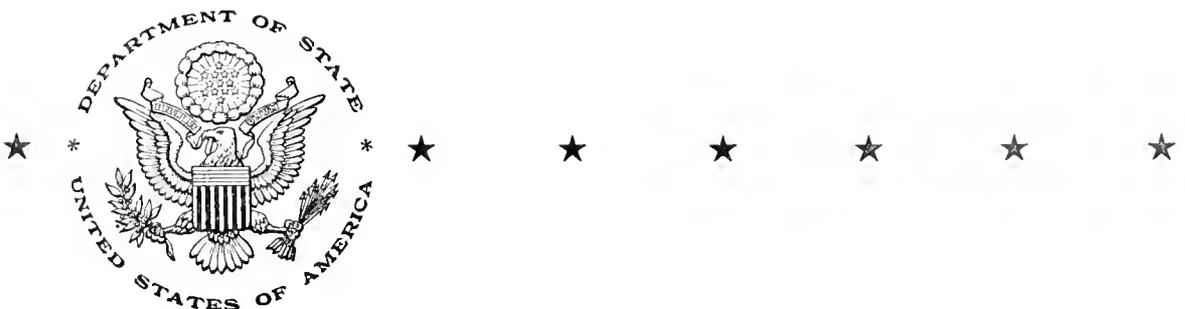
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OCTOBER 29, 1944

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THE DEPARTMENT OF STATE  
**BULLETIN**

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October 29, 1944

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Research and Publication, Office of Public Information, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.*

*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

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# Recognition of the De Facto French Authority

## STATEMENT BY THE ACTING SECRETARY OF STATE

[Released to the press October 23]

The Government of the United States has today recognized the French *de facto* authority established in Paris under the leadership of General de Gaulle as the Provisional Government of the French Republic. A communication in this sense has today been addressed to the Provisional Government. Mr. Jefferson Caffery will, if agreeable to the Provisional Government, assume the duties of Ambassador to France.

This action on the part of the United States Government is in harmony with its policy toward France as publicly enunciated from time to time by the President and the Secretary of State.

As the Secretary of State in his speech of April 9, 1944 stated, it was always the thought of the President and himself that Frenchmen themselves should undertake the civil administration of their country and that this Government would

look to the organization then known as the French Committee of National Liberation to exercise leadership in the establishment of law and order. In accordance with this policy, agreements were entered into between the Supreme Allied Commander and the *de facto* French authority, headed by General de Gaulle, covering the administration of civil affairs in France and other related subjects.

In accordance with the procedure envisaged in the civil-affairs agreement, an "interior zone" has been established to include a large part of France, including Paris. The agreement provides that in the interior zone the conduct of the administration of the territory and responsibility therefor will be entirely a matter for the French authorities.

Today the vast majority of Frenchmen are free. They have had opportunity during recent weeks to demonstrate their desire to have the duties and obligations of government assumed by the administration which is now functioning in Paris and which has been reconstituted and strengthened by the inclusion of leaders of the valiant forces of resistance within France.

The intention of the French authorities to seek an expression of the people's will at the earliest possible date, following the repatriation of French

prisoners of war and deportees in Germany, has been made known on different occasions. Pending the expression of the will of the French people through the action of their duly elected representatives, the Provisional Government of the French Republic, in its efforts to prosecute the war until final victory and to lay the foundations for the rehabilitation of France, can count on the continued, full, and friendly cooperation of the Government of the United States.

## Renewal of Diplomatic Relations with Italy

[Released to the press October 26]

The following statement was made by the Acting Secretary of State:

"After consultation with the other American republics, as provided in the resolutions made at Rio de Janeiro in January 1942, it has been agreed that diplomatic relations with the Government of Italy should be resumed. The Governments of Great Britain and the Soviet Union likewise have been consulted.

"Consequently, the President will submit to the Senate, after it reconvenes on November 14, 1944, the nomination of the Honorable Alexander C. Kirk as American Ambassador to Italy. Mr. Kirk is presently American Representative on the Advisory Council for Italy in Rome."

# Armistice Terms for Bulgaria

[Released to the press October 29]

The terms of the Bulgarian armistice agreement which has been signed in Moscow follow:

AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA, THE UNITED KINGDOM, AND THE UNION OF SOVIET SOCIALIST REPUBLICS, ON THE ONE HAND, AND THE GOVERNMENT OF BULGARIA, ON THE OTHER HAND, CONCERNING AN ARMISTICE

The Government of Bulgaria accepts the armistice terms presented by the Government of the United States of America, the Union of Soviet Socialist Republics and the United Kingdom acting on behalf of all the United Nations at war with Bulgaria.

Accordingly the representative of the Supreme Allied Commander in the Mediterranean, Lieutenant General Sir James Gammell, and the representative of the Soviet High Command, Marshal of the Soviet Union, F. I. Tolbukhin, duly authorized thereto by the governments of the United States of America, the Union of the Soviet Socialist Republics and the United Kingdom acting on behalf of all the United Nations at war with Bulgaria, on the one hand, and representatives of the Government of Bulgaria, Mr. P. Stainov, Minister of Foreign Affairs, Mr. D. Terpeshev, Minister Without Portfolio, Mr. N. Petkov, Minister Without Portfolio and Mr. P. Stoyanov, Minister of Finance, furnished with due powers, on the other hand, have signed the following terms:

ARTICLE ONE. (A) Bulgaria having ceased hostilities with the Union of Soviet Socialist Republics on September 9, and severed relations with Germany on September 6, and with Hungary on September 26, hostilities has ceased against all the other United Nations.

(B) The Government of Bulgaria undertakes to disarm the German armed forces in Bulgaria and hand them over as prisoners of war. The Government of Bulgaria also undertakes to intern nationals of Germany and her satellites.

(C) The Government of Bulgaria undertakes to maintain and make available such land, sea and air forces as may be specified for service under the general direction of the Allied (Soviet) High Com-

mand. Such forces must not be used on Allied territory except with the prior consent of the Allied Government concerned.

(D) On the conclusion of hostilities against Germany the Bulgarian armed forces must be demobilized and put on a peace footing under the supervision of the Allied Control Commission.

ARTICLE TWO. Bulgarian armed forces and officials must be withdrawn within the specified time limit from the territory of Greece and Yugoslavia in accordance with the pre-condition accepted by the Government of Bulgaria on October 11; the Bulgarian authorities must immediately take steps to withdraw from Greek and Yugoslav territory Bulgarians who were citizens of Bulgaria on January 1, 1941, and to repeal all legislative and administrative provisions relating to the annexation or incorporation in Bulgaria of Greek or Yugoslav territory.

ARTICLE THREE. The Government of Bulgaria will afford to Soviet and other Allied forces freedom of movement over Bulgarian territory in any direction if, in the opinion of the Allied (Soviet) High Command, the military situation so requires, the Government of Bulgaria giving to such movements every assistance with its own means of communication, and at its own expense, by land, water and in the air.

ARTICLE FOUR. The Government of Bulgaria will immediately release all Allied prisoners of war and internees. Pending further instructions, the Government of Bulgaria will at its own expense provide all Allied prisoners of war, internees and displaced persons and refugees, including nationals of Greece and Yugoslavia, with adequate food, clothing, medical services and sanitary and hygienic requirements and also with means of transportation for the return of any such persons to their own country.

ARTICLE FIVE. The Government of Bulgaria will immediately release, regardless of citizenship or nationality, all persons held in confinement in connection with their activities in favor of the United Nations or because of their sympathies with the United Nations cause or for racial or religious reasons, and will repeal all discriminatory legislation and disabilities arising therefrom.

**ARTICLE SIX.** The Government of Bulgaria will cooperate in the apprehension and trial of persons accused of war crimes.

**ARTICLE SEVEN.** The Government of Bulgaria undertakes to dissolve immediately all pro-Hitler or other Fascist political, military, para-military and other organizations on Bulgarian territory conducting propaganda hostile to the United Nations and not to tolerate the existence of such organizations in the future.

**ARTICLE EIGHT.** The publication, introduction and distribution in Bulgaria of periodical, or non-periodical literature, the presentation of theatrical performances or films, the operation of wireless stations, post, telegraph and telephone services will take place in agreement with the Allied (Soviet) High Command.

**ARTICLE NINE.** The Government of Bulgaria will restore all property of the United Nations and their nationals, including Greek and Yugoslav property, and will make such reparation for loss and damage caused by the war to the United Nations, including Greece and Yugoslavia, as may be determined later.

**ARTICLE TEN.** The Government of Bulgaria will restore all rights and interests of the United Nations and their nationals in Bulgaria.

**ARTICLE ELEVEN.** The Government of Bulgaria undertakes to return to the Soviet Union, to Greece and Yugoslavia and to the other United Nations, by the dates specified by the Allied Control Commission and in a good state of preservation, all valuables and materials removed during the war by Germany or Bulgaria from United Nations territory and belonging to state, public or cooperative organizations, enterprises, institutions or individual citizens, such as factory and works equipment, locomotives, rolling-stock, tractors, motor vehicles, historic monuments, museum treasures and any other property.

**ARTICLE TWELVE.** The Government of Bulgaria undertakes to hand over as booty to the Allied (Soviet) High Command all war material of Germany and her satellites located on Bulgarian territory, including vessels of the fleets of Germany and her satellites located in Bulgarian waters.

**ARTICLE THIRTEEN.** The Government of Bulgaria undertakes not to permit the removal or expropriation of any form of property (including valuables and currency), belonging to Germany or Hungary or to their nationals or to persons resi-

dent in their territories or in territories occupied by them, without the permission of the Allied Control Commission. The Government of Bulgaria will safeguard such property in the manner specified by the Allied Control Commission.

**ARTICLE FOURTEEN.** The Government of Bulgaria undertakes to hand over to the Allied (Soviet) High Command all vessels belonging to the United Nations which are in Bulgarian ports no matter at whose disposal these vessels may be, for the use of the Allied (Soviet) High Command during the war against Germany or Hungary in the common interest of the Allies, the vessels to be returned subsequently to their owners.

The Government of Bulgaria will bear full material responsibility for any damage to or destruction of the aforesaid property up to the moment of its transfer to the Allied (Soviet) High Command.

**ARTICLE FIFTEEN.** The Government of Bulgaria must make regular payments in Bulgarian currency and must supply goods (fuel, foodstuffs, et cetera), facilities and services as may be required by the Allied (Soviet) High Command for the discharge of its functions.

**ARTICLE SIXTEEN.** Bulgarian merchant vessels, whether in Bulgarian or foreign waters, shall be subject to the operational control of the Allied (Soviet) High Command for use in the general interest of the Allies.

**ARTICLE SEVENTEEN.** The Government of Bulgaria will arrange, in case of need, for the utilization in Bulgarian territory of industrial and transport enterprises, means of communication, power stations, public utility enterprises and installations, stocks of fuels and other materials in accordance with instructions issued during the armistice by the Allied (Soviet) High Command.

**ARTICLE EIGHTEEN.** For the whole period of the armistice there will be established in Bulgaria an Allied Control Commission which will regulate and supervise the execution of the armistice terms under the chairmanship of the representative of the Allied (Soviet) High Command and with the participation of representatives of the United States and the United Kingdom. During the period between the coming into force of the armistice and the conclusion of hostilities against Germany, the Allied Control Commission will be under the general direction of the Allied (Soviet) High Command.

ARTICLE NINETEEN. The present terms will come into force on their signing.

Done at Moscow in quadruplicate, in English, Russian and Bulgarian, the English and Russian texts being authentic.

OCTOBER 28, 1944.

For the Governments of the United States of America, the Union of Soviet Socialist Republics and the United Kingdom:

Marshal F. I. Tolbukhin, *representative of the Soviet High Command.*

Lieutenant General JAMES GAMMELL, *representative of the Supreme Allied Commander in the Mediterranean.*

For the Government of Bulgaria: P. STAINOV, D. TERPESIEV, N. PETKOV and P. STOYANOV.

*Protocol to the Agreement Concerning an Armistice With Bulgaria*

At the time of signing the armistice with the Government of Bulgaria, the Allied Governments signatory thereto have agreed to the following:

*One.* In connection with Article IX it is understood that the Bulgarian Government will immediately make available certain foodstuffs for the relief of the population of Greek and Yugoslav territories which have suffered as a result of Bulgarian aggression. The quantity of each product to be delivered will be determined by agreement between the three governments, and will be considered as part of the reparation by Bulgaria for the loss and damage sustained by Greece and Yugoslavia.

*Two.* The term "war material" used in Article XII shall be deemed to include all material or equipment belonging to, used by, or intended for use by enemy military or para-military formations or members thereof.

*Three.* The use by the Allied (Soviet) High Command of Allied vessels handed over by the Government of Bulgaria in accordance with Article XIV of the armistice and the date of their return to their owners will be the subject of discussion and settlement between the Allied Governments concerned and the Government of the Soviet Union.

*Four.* It is understood that in the application of Article XV the Allied (Soviet) High Command

will also arrange for the provision of Bulgarian currency, supplies, services, et cetera, to meet the needs of the representatives of the Governments of the United Kingdom and the United States in Bulgaria.

Done at Moscow in triplicate, in English and Russian languages, both English and Russian texts being authentic.

[NOTE: The foregoing Protocol was signed in Moscow on October 28, 1944 on behalf of the three Allied Governments by George F. Kennan, American Chargé d'Affaires; Andrei Ya. Vyshinski, Vice Commissar of Foreign Affairs of the U.S.S.R.; Sir Archibald Clark-Kerr, the British Ambassador.]

## Relief Supplies for Allied Nationals Interned in The Far East

[Released to the press October 24]

The Japanese Government, through neutral channels, has informed the United States Government that on October 28 a Japanese ship, the *Hakusan Maru*, will depart from Japan and proceed to a Soviet port to pick up relief supplies previously sent from the United States and Canada intended for distribution to American, British, Canadian, Dutch, and other Allied prisoners of war and civilian internees held by Japan.<sup>1</sup> The Japanese Government's announcement culminates protracted negotiations in this regard carried on through the Swiss Government between the Governments of the United States and Japan. The Soviet Government has cooperated in making this operation possible by permitting the use of a Soviet port as a transfer point and by giving safety guaranties for the Japanese ship while in Soviet waters, in addition to moving these supplies from the United States to Soviet territory. The United States Government has agreed to the departure dates and route proposed by the Japanese authorities and has taken the necessary steps to safeguard the Japanese vessel from Allied attack during its voyage to and from Soviet waters. Previous recent announcements in regard to this matter were made in the Department's press release dated September 1, 1944<sup>2</sup> and by the Under Secretary of State in his press conference on October 20.

<sup>1</sup> BULLETIN of Oct. 15, 1944, p. 439.

<sup>2</sup> BULLETIN of Sept. 3, 1944, p. 235.

# Our Navy and a Warning to Japan

Address by JOSEPH C. GREW<sup>1</sup>

[Released to the press October 27]

In the life of every nation, as in the life of every individual, there come occasions when it is good to pause for a moment in the midst of great endeavor to take stock of the road already traveled, and of the road ahead. Navy Day 1944 is such an occasion. And if the Japanese are listening in, let them take stock, too.

First, the road already traveled. The darkest day in the naval history of our country was December 7, 1941, the day of infamy. There we were on the threshold of a two-ocean war, a war which rapidly spread to the seven seas, confronted with what then appeared to be the ruins of a substantial part of our one-ocean navy. The Japanese had done their despicable work well; just as at Port Arthur, at the opening of the Russo-Japanese War in 1904, they struck without a declaration of war. Perhaps we ought to have remembered that every seasoned criminal has a special technique of his own, and is likely to follow the same technique in successive crimes. But that is all water over the dam now. The Japanese gangster is not going to be given the opportunity to commit further international crimes if the present temper and determination of our people and of our Allies are any criterion.

At any rate, there we were, on December 7, 1941, momentarily stunned in contemplation of what then appeared to be the smoking ruins of our once-proud Pacific fleet and in contemplation of our dead. Had the Japanese at that moment been prepared to land in force on the island of Oahu and to occupy Pearl Harbor, we might now have been very far from entering upon what we confidently believe are the decisive phases of the Pacific war. Fortunately for us, they hadn't the vision to follow through. Vision is not one of their strong points. If it had been one of their strong points, they would never in the world have attacked us anywhere.

Then came the American miracle. It *was* a miracle by every standard of experience and of history. Had the Japanese military and naval high command been told at that time what we were to do, they would have scoffed with their hilarious

but mirthless humor. But now they know. No dream castle ever erected could have surpassed the construction in these three years of the greatest, most powerful, and certainly the most efficient and effective navy that the world has ever seen. Yes, now they know. They began to know in the Coral Sea, and they continued to learn at Midway, at Guadalcanal, in the Kula Gulf, at Attu, at Kwajalein and Saipan, at Tinian and Guam and Palau, and now, at last, in the Philippines themselves, in what may prove to have been a decisive naval battle and one of the greatest victories in history, rivaling Trafalgar itself. They have not only continued to learn of the fighting power of our ships and of the aggressive spirit of our officers and men, whether in the Army or Navy, the Marine Corps or the Air Forces—a quality in which the Japanese believed themselves paramount and to which they attached the greatest importance in their own fighting machine—but they have discovered one other essential truth, namely, that our American fighting men do not go into battle like regimented automatons; they use their heads as well as their guns and thus constantly outguess and outmaneuver the enemy.

The Japanese Navy, *without* a declaration of war, exploited the tactical advantage of initiative and surprise. They had their day, but now they are learning to their sorrow that initiative and surprise—when war is on—are no Japanese monopoly. The glories of our victories and those of our Allies already achieved will ring down through the ages in the annals of military and naval history.

So much for the past and present. Now for the road ahead. This is no time for our people to sit back in smug contentment. Pride in past and present achievements should be but a spur to future effort. This Navy Day should be not a day of exultation, but a day of rededication—rededication to the mighty task of winning the war against

<sup>1</sup> Delivered at the Navy Day Dinner sponsored by the District of Columbia Council of the Navy League of the United States at Washington on Oct. 27, 1944. Mr. Grew, former American Ambassador to Japan, is Director of the Office of Far Eastern Affairs, Department of State.

both Germany and Japan. And when we think and speak of winning the war, let us not again fall into the fatal error of believing the enemy finally defeated just because he asks for an armistice and a peace conference.

I wish to take this important occasion to repeat, with all possible force, the warning which I have continually tried, all over the country, to drill home into the consciousness of our people, namely, that we must not, under any circumstances, accept a compromise peace with Japan, no matter how alluring such a peace may be or how desirous we may become of ending this terrible conflict. An enticing peace offer may come from Japan at any time. The facts of the situation are beginning to seep into the consciousness of the Japanese people. Some of them—perhaps only a few at the present time, but the number will grow steadily—know beyond peradventure that they are going to be defeated, that their merchant fleet is being whittled down to the vanishing point, that their war plants are gradually being blotted out of existence, and that their gangster loot will eventually be taken away from them. They know that if the war continues long enough their military machine and cult will be—to use the word so much loved by our enemies—liquidated, and that their nation will then be reduced to the status of a third-class power. All Japanese are not stolid, long-suffering, blindly obedient peasants or emotionally unstable fanatics. There are many shrewd, level-headed, coldly calculating Japanese—including not only some of their statesmen but also men such as those who built up the great business houses and shipping companies and industrial concerns of Japan. Before the complete ruin of Japan, these men are almost certain to make an attempt to save something from the wreckage. I can foresee with little doubt the general methods they would use. As a façade, they would in all probability produce as Prime Minister some former statesman who they believe is labeled in our minds as a liberal, reinforced by an ostensibly liberal cabinet. They would probably offer to withdraw their troops from the occupied areas and return those areas to their former status. They might even offer to give up their control of their puppet state in Manchuria. All this they might offer to do if only we would agree to leave their homeland free of further attack. Yes indeed, the bait would be beautifully sugar-

coated and painted in the most attractive colors, the sort of bait that the American people, a peace-minded and kindly people, weary of war and eager to get our fighting men home from the far-flung battle-fronts would, the Japanese believe, gratefully accept.

Should that moment come, America, the United Nations, would be put to a most severe test. The temptation to call it a day might be stronger than we can now visualize. That, my friends, would be the moment to fear, not for ourselves but for our sons and grandsons, lest they should have to fight this dreadful war over again in the next generation. For assuredly, if we should allow ourselves to relax before carrying to completion our present determination to render the Japanese impotent ever again to threaten world peace, that would be the fate of our descendants. That cancerous growth of Japanese militarism would follow the example of the German war-machine after 1918—perpetuate itself and prepare Japan again for some future Armageddon. I have no fears as to the nature of our decision, so long as our people fully understand the dangers of a premature and compromise peace, but let us be warned in time.

There is, however, still an alternative open to Japan, and I address these words directly to the more intelligent elements in that misguided country. There is one way by which the Japanese *can* keep their homeland free from further attack. If the Japanese leaders can read the handwriting on the wall and can come to the realization that for them the war is already lost and that their situation is hopeless, if they can realize that the determination of the United Nations to carry through, regardless of time or cost, to complete and unequivocal victory is inflexible, and that no temporizing or compromise is conceivable, let them unconditionally surrender now. That alternative is open and will remain open. The Japanese cannot avert defeat by postponing the inevitable. If they act now, they will avoid useless sacrifice of lives and wholesale devastation. *Let them* call it a day.

Now, what of the future of our Navy? May I quote from a recent article in the *Saturday Evening Post* by Secretary Forrestal a passage which should be the fundamental creed of the American people in the difficult years that lie ahead? "In spite of this war," he wrote, "we shall continue to

be a peace-loving nation, with neither greed nor desire for world domination. The very concept of imposing our rule upon other people is not consistent with our national character and would be repugnant to our people. Therefore, it is good and desirable that we keep the dream that some day, somehow, a framework of permanent peace will be evolved by men of sense and good will throughout the world.

"In the meantime, we dare not forget an anonymous admiral's words after the last war: 'The means to wage war must be in the hands of those who hate war.'"

May our country take those words to heart. At Dumbarton Oaks we have tried to lay a firm foundation upon which that framework can and will be built. I believe that never before have the peoples of the world been more determined that such a structure *shall* be built, that it shall be effective, and that it shall endure.

"The means to wage war must be in the hands of those who hate war." Behind our day-to-day diplomacy abroad there lies a factor of prime importance, namely, national support, demonstrated and reinforced by national preparedness. With such a background, and only with such a background, can we pursue our diplomacy with any confidence that our representations will be listened to or that they will lead to favorable results. General Douglas MacArthur, when Chief of Staff of the United States Army, said: "Armies and navies, in being efficient, give weight to the peaceful words of statesmen, but a feverish effort to create them when a crisis is imminent simply provokes attack." We need thorough and permanent preparedness not in the interests of war but of peace. Let us constantly have in mind the eminently wise advice of Theodore Roosevelt: "Speak softly and carry a big stick."

Let our people appreciate the tremendous importance of learning the lessons of history for future guidance. We intend, with all the determination and energy that is in us, to contribute to the erection of a world organization for the maintenance of peace and security that will some day render superfluous the great armaments that now so heavily handicap the development of peaceful economies. But until that day comes, I wish that every American would consider it a patriotic duty to familiarize himself with Secretary Forrestal's

article entitled "Will We Choose Naval Suicide Again?" and let his warning become a fundamental concept in our national thinking, our future action, and our inexpressible pride in the American Navy.

## Anniversary of Czechoslovak Independence

### MESSAGE FROM PRESIDENT ROOSEVELT TO PRESIDENT BENEŠ OF CZECHOSLOVAKIA

[Released to the press October 28]

OCTOBER 28, 1944.

This anniversary of the independence of Czechoslovakia is of especial significance.

The people and armed forces inside Czechoslovakia have joined actively and gloriously with their countrymen abroad in the ranks of the nations united against tyranny, and can look forward confidently to the celebration of future anniversaries in the full enjoyment of un-suppressed freedom.

We Americans salute our Czechoslovak comrades-in-arms who are today so bravely contributing to the liberation of their homeland and the rest of Europe.

The close ties and deep sympathy between the democratic peoples of Czechoslovakia and the United States have never ceased to find concrete expression since the days of President Masaryk and President Wilson.

I look forward to the day when, victorious after a second great war for freedom, they can continue to work in harmony for their mutual security and welfare in a peaceful world.

FRANKLIN D. ROOSEVELT

### STATEMENT BY THE ACTING SECRETARY OF STATE

[Released to the press October 28]

Today is the anniversary of the founding of the Republic of Czechoslovakia. The people of Czechoslovakia, within their own country as well as abroad, are boldly facing the despoilers of Europe and wisely planning with the other free-

spirited nations for a sound and just peace when that struggle shall have been won. They are winning their fight for freedom; they, with all the United Nations, propose to win the fight for lasting peace.

This occasion makes it appropriate to recall the great contributions which the people of Czechoslovakia have always made in maintaining freedom, in advancing civilization and culture, and in forwarding international cooperation. May they long continue in that role.

## Passports for Travel to France

[Released to the press October 23]

In view of the agreement which has been reached between the French and the Supreme Headquarters Allied Expeditionary Force declaring a considerable part of France including Paris an "interior zone", the Department of State will accept applications for passports from American citizens for such zone if they are accompanied by appropriate evidence establishing (1) that their presence in France will contribute directly or indirectly to the military effort, or (2) that their purpose in desiring to travel in France will serve the national interests by the resumption of economic or other activities disrupted by the war, or (3) that their going to France would materially aid that country in meeting its requirements for civilian consumption and for reconstruction.

A person who considers that his presence in France will contribute directly or indirectly to the military effort should support his application by a letter from an appropriate department or agency of this Government stating in what way his going to France would contribute to the war effort.

A person who represents an American business organization must establish that the organization has heretofore had a branch or subsidiary in France or that his organization prior to the disruption caused by the war periodically sent a representative or representatives to France.

American professional men who had established themselves in their professions in France and left

that country because of conditions growing out of the war must submit with their passport applications satisfactory evidence that they previously followed their professions in France.

It must be clearly understood, however, that the facilities for transportation between the United States and France are extremely meager, and the appropriate authorities in the United States hold out no encouragement at this time that such facilities will be increased. Consequently, any American citizen who considers that he comes within one of the classes of persons above mentioned should advise the Department of the arrangement he has concluded for his transportation to and from France.

Military permits will not be required for the interior zone of France, but each American citizen desiring to enter the zone must obtain a French visa on his American passport.

## Statement on Reported Communication From Argentina

[Released to the press October 28]

Asked for comment upon a reported communication from the Argentine Government through the Pan American Union, the Department of State issued the following statement:<sup>1</sup>

No communication has as yet been received by the Government of the United States. In the event that a communication such as that reported in the press is received either through a government which maintains relations with the Argentine Republic or through the Pan American Union, the Government of the United States will, of course, exchange views fully with the Governments of the other American republics before taking any decision.

<sup>1</sup> As reported in the press on Oct. 28, Argentina has asked the Pan American Union in Washington to call a conference of foreign ministers of the American republics to settle the current crisis between Argentina and other countries of the Western Hemisphere. That government is reported to have sent memoranda to foreign offices of the American republics, advising them of this action and inviting them to support its move.

# International Civil Aviation Conference

## MEMBERS OF THE AMERICAN DELEGATION

[Released to the press October 27]

The President has designated the following members of the American Delegation to the International Civil Aviation Conference which will convene at Chicago on November 1:

### *Delegates*

- The Honorable Adolf A. Berle, Jr., Assistant Secretary of State, *Chairman of the Delegation*
- The Honorable Josiah W. Bailey, Chairman, Committee on Commerce, United States Senate
- The Honorable Owen Brewster, Member, Committee on Commerce, United States Senate
- The Honorable Alfred L. Bulwinkle, House of Representatives
- The Honorable William A. M. Burden, Assistant Secretary of Commerce for Air
- Rear Admiral Richard E. Byrd, U. S. N., retired, Boston, Massachusetts
- The Honorable Fiorello H. LaGuardia, Chairman, United States Section, Permanent Joint Board on Defense (Canada-United States)
- The Honorable L. Welch Pogue, Chairman, Civil Aeronautics Board
- The Honorable Edward Warner, Vice Chairman, Civil Aeronautics Board
- The Honorable Charles A. Wolverton, House of Representatives

### *Consultants*

- The Honorable Artemus L. Gates, Assistant Secretary of the Navy for Air
- Dr. J. C. Hunsaker, Chairman, National Advisory Committee for Aeronautics
- The Honorable Robert A. Lovett, Assistant Secretary of War for Air
- Maj. Gen. C. R. Smith, Air Transport Command

### *Secretary General of the Delegation*

- Mr. Stokely W. Morgan, Chief, Aviation Division, Department of State

### *Advisers*

- Mr. John C. Cooper, Vice President, Pan American Airways
- Mr. Ralph Damon, Vice President, American Airlines, Inc.
- Col. H. R. Harris, Chief of Staff, Air Transport Command
- Mr. Stephen Latchford, Adviser on Air Law, Aviation Division, Department of State
- Mr. Carleton Putnam, President, Chicago and Southern Airlines

Comdr. Paul Richter, U.S.N.R.

Mr. Frank Russell, National Aircraft War Production Council, Inc., and President, Cerro de Pasco Copper Company

### *Secretaries of the Delegation*

- Mr. Livingston Satterthwaite, Civil Air Attaché, American Embassy, London
- Mr. Joe D. Walstrom, Assistant Chief, Aviation Division, Department of State

### *Technical Experts*

- Mr. Russell Adams, Civil Aeronautics Board, Department of Commerce
- Mr. R. W. Craig, Weather Bureau, Department of Commerce
- Mr. C. F. Dycer, Civil Aeronautics Administration, Department of Commerce
- Mr. Glen A. Gilbert, Civil Aeronautics Administration, Department of Commerce
- Mr. James L. Kinney, Civil Aeronautics Administration, Department of Commerce
- Mr. Eugene Sibley, Civil Aeronautics Administration, Department of Commerce
- Lt. Comdr. Paul A. Smith, Coast and Geodetic Survey, Department of Commerce
- Mr. Harry G. Tarrington, Civil Aeronautics Administration, Department of Commerce
- Mr. A. A. Vollmecke, Civil Aeronautics Administration, Department of Commerce

### *Press Relations Officer*

Mr. John C. Pool, Department of State

### *Special Assistant*

Mr. William J. Primm, Assistant Clerk, Committee on Commerce, United States Senate

## MEMBERS OF THE SECRETARIAT

[Released to the press October 30]

The President has designated Adolf A. Berle, Jr., Assistant Secretary of State, as temporary president of the International Civil Aviation Conference which will convene at Chicago, Illinois, on November 1, 1944. The President also has designated Warren Kelchner, Chief of the Division of International Conferences, Department of State, as Secretary General of the Conference.

In accordance with international practice, this Government will provide certain conference officers to be responsible, under the direction of the Secretary General, for units of the Secretariat

being furnished by the host government. With the approval of the President, the Acting Secretary of State has designated the following individuals to serve in the capacities indicated:

*Secretary General*

Warren Kelchner, Chief, Division of International Conferences, Department of State

*Special Assistants*

James Espy, Foreign Service Officer, Department of State

Morris Nelson Hughes, Foreign Service Officer, Department of State

*Technical Secretary*

Theodore P. Wright, Administrator of Civil Aeronautics, Civil Aeronautics Administration, Department of Commerce

*Special Assistants*

Thomas B. Bourne, Director of Federal Airways, Civil Aeronautics Administration, Department of Commerce

John M. Chamberlain, Assistant Director, Safety Bureau, Civil Aeronautics Board, Department of Commerce

Douglas D. Crystal, Senior Attorney, Aeronautical Legal Division, Civil Aeronautics Administration, Department of Commerce

Fred M. Lanter, Director of Safety Regulations, Civil Aeronautics Administration, Department of Commerce

*Secretaries and Assistant Secretaries of Technical Committees and Subcommittees*

Harry A. Bowen, Civil Aeronautics Board, Department of Commerce

Paul T. David, Bureau of the Budget, Executive Office of the President

Alfred Hand, Civil Aeronautics Administration, Department of Commerce

Robert D. Hoyt, Civil Aeronautics Board, Department of Commerce

Alfred S. Koeb, Civil Aeronautics Administration, Department of Commerce

Delbert M. Little, Weather Bureau, Department of Commerce

Virginia C. Little, Bureau of the Budget, Executive Office of the President

Erwin R. Marlin, Bureau of the Budget, Executive Office of the President

Kenneth Matucha, Civil Aeronautics Administration, Department of Commerce

John T. Morgan, Civil Aeronautics Administration, Department of Commerce

Jeremiah S. Morton, Coast and Geodetic Survey, Department of Commerce

George C. Neal, Civil Aeronautics Board, Department of Commerce

Howard Railey, Civil Aeronautics Board, Department of Commerce

Lloyd H. Simson, Civil Aeronautics Administration, Department of Commerce

Omer Welling, Civil Aeronautics Administration, Department of Commerce

*Executive Secretary*

Clarke L. Willard, Assistant Chief, Division of International Conferences, Department of State

*Assistant Executive Secretary*

Lyle L. Schmitter, Foreign Affairs Specialist, Division of International Conferences, Department of State

*Chief Press Relations Officer*

Lincoln White, Office of the Special Assistant to the Secretary of State

*Press Relations Officers*

William H. Donaldson, Superintendent, House Press Gallery

Joe S. McCoy, Jr., Civil Aeronautics Administration, Department of Commerce

Raymond Nathau, Civil Aeronautics Administration, Department of Commerce

Ben Stern, Civil Aeronautics Administration, Department of Commerce

*Liaison Secretaries*

Philip O. Chalmers, Acting Chief, Division of Brazilian Affairs, Department of State

Raymond A. Hare, Foreign Service Officer, Department of State

Charles M. Howell, Jr., Civil Air Attaché at Rio de Janeiro, Brazil

Paul W. Meyer, Foreign Service Officer, Department of State

A. Ogden Pierrat, Civil Air Attaché at Lisbon and Madrid

Robert B. Stewart, Division of British Commonwealth Affairs, Department of State

*Geographer*

Samuel W. Boggs, Chief, Division of Geography and Cartography, Department of State

*Cartographer*

Arthur J. Hazes, Division of Geography and Cartography, Department of State

*Administrative Secretary*

Millard L. Kenestrick, Chief, Division of Administrative Services, Department of State

*Operations Officer*

R. M. F. Williams, Division of Administrative Services, Department of State

*Assistant Operations Officer*

Victor Purse, Office of Departmental Administration, Department of State

*Technical Documents Officer and Secretary for Documentation*

John O. Bell, Aviation Division, Department of State

R. B. Maloy, Civil Aeronautics Administration, Department of Commerce

(Continued on page 525)

# The Second Session of the Council of UNRRA

By EDWARD G. MILLER, JR.<sup>1</sup>

## I

Anticipated as an important and even critical point in the history of the United Nations Relief and Rehabilitation Administration was the Second Session of the Council, which was held in Montreal<sup>2</sup> September 16-26. For the member governments that had created UNRRA, the Session afforded the first opportunity to discharge their duty and privilege of examining and criticizing the progress of this first post-war organization. For UNRRA itself, the Session presented an occasion of reminding these governments that UNRRA's success, like that of any other mutual undertaking, can be no greater than the support that the members accord to it.

The First Session of the Council at Atlantic City last November was in itself a notable achievement in international cooperation. UNRRA, with the enthusiastic backing of its member governments and of the public, got off to a flying start. The Second Session, while less spectacular, was in many respects a more difficult occasion, not only for the organization itself but also for its member governments.

The First Session, which followed immediately upon the signature of the agreement at the White House,<sup>3</sup> was in effect part of the organization of UNRRA: the culmination of two years of negotiations among governments for the establishment of an international administration for post-war relief and rehabilitation in war-torn countries. Although many controversial questions arose at Atlantic City, it was not difficult to find a common ground for a solution of all problems. Getting UNRRA started was the fundamental concern of each delegation at Atlantic City; all other considerations of national interest were subordinated to this one.

Between November 1943 and September 1944 UNRRA went through what will undoubtedly prove to be one of the most difficult periods in its history. It became the task of the Director Gen-

eral and his staff to put in operation the purposes of the Agreement and Resolutions with little to go on in the way of precedent and, at the beginning, without funds or material resources. A large and specialized organization, international in character, had to be created under exceedingly trying wartime conditions. Relations with a variety of agencies, national and international, military and civilian, had to be established. Most trying of all, by force of circumstance, the role of the United Nations Relief and Rehabilitation Administration has been confined to sitting on the sidelines with little to do beyond the planning stage.

A sympathetic public interest, eager for the success of this first operating international organization, began gradually to become critical, first of UNRRA and then of the support accorded to it by its member governments.

As to the latter, it was charged that UNRRA was being deliberately stifled by its member governments for reasons of jurisdictional rivalry and for other motives. It had been deliberately reduced, it was said, to the status of a soup kitchen and deprived of all its rehabilitation activities. The combined armies, according to the allegations, were going to monopolize relief and rehabilitation activities in liberated areas and manipulate them to suit their convenience. Finally, it was charged, the governments were not releasing first-class personnel to UNRRA. On the other hand, there were certain sectors of public opinion in this country to whom UNRRA was always per se anathema. These persons expressed alarm over our contributing funds to rehabilitate foreign lands, possibly to enable them to compete with our industry, and especially over our giving substantial United States funds to an international organization in which

<sup>1</sup> Mr. Miller is Adviser in the War Areas Economic Division, Office of Wartime Economic Affairs, Department of State.

<sup>2</sup> BULLETIN of Sept. 10, 1944, p. 255.

<sup>3</sup> BULLETIN of Nov. 13, 1943, pp. 317, 335.

we had only one vote in 44. The drafters of the Agreement doubtless realized that it is not possible to please everyone.

As to UNRRA itself, the charge was sometimes heard that its sole activity consisted of turning out reams of mimeographed paper in the form of press releases and requirements programs and that its failure to progress beyond the planning stage was due to lack of initiative rather than to other factors.

The Montreal session afforded, therefore, a timely opportunity to review the status and progress of the organization and to assess the degree of cooperation by the member governments.

At the outset, one thing was made clear by all concerned; no effort had been made to constrict the nature of UNRRA's duties more narrowly than the program that had been provided for at Atlantic City. The representatives of the Combined Chiefs of Staff who addressed the Council on behalf of the American and British Governments iterated the military position that they will relinquish the task of civilian relief behind the lines as soon as military necessity permits. The armies, they pointed out, are not relief organizations, and they are only too glad to be relieved of these functions as soon as practicable; this position has been made abundantly clear in France. On the other hand, long before the Atlantic City meeting, it has been clear that the armies will have to exercise discretion in determining when the responsibility for civilian supply can be relinquished to the civilian authorities. The entire pattern of civil-affairs arrangements in liberated areas recognizes that basic fact.

Secondly, it was emphasized that there has occurred no change in UNRRA's scope so far as rehabilitation is concerned. Under the basic Agreement UNRRA is concerned with the rehabilitation of industry, transport, and public utilities only to the extent necessary to meet immediate relief needs. Other agencies, such as the prospective Monetary Fund and Reconstruction and Development Bank, will concern themselves with problems of a more long-range character. As was expected, the United States Congress was emphatic in its disapproval of any long-term reconstruction functions for UNRRA. This does not mean, however, that UNRRA will be simply a soup kitchen and that it will not endeavor to confer lasting benefits upon the countries which it may aid. Certainly in the field of agriculture, rehabilitational

activities will form an important part of UNRRA's contribution to the recovery of these countries. Those activities should prove considerably more economical, both of UNRRA's funds and of shipping, than the furnishing solely of processed foods.

The extent of UNRRA's functions in the field of industrial rehabilitation will depend to a large degree upon the conditions found in the areas after liberation. Even within the limited scope prescribed in the Agreement and Resolutions of the Council (which parallel those set forth in the act of the United States Congress), there are many useful functions which UNRRA can perform in this field and which may be considerably more economical from the standpoint of its resources, as well as more beneficial for the recipient country, than concentrating exclusively on the provision of finished goods. For example, in anticipation of the critical need for transport in eastern Europe and the Balkans, UNRRA has already taken steps to commit part of its funds for the procurement of 280 locomotives for that area, although the Director General expects that locomotives and other transport equipment furnished by him should be sold as soon as possible to individual countries or to an international transport authority. But since the first call on UNRRA's resources will be to provide for the immediate needs of the liberated areas, its ability to engage in industrial rehabilitation to any great extent will depend upon the degree of damage done to production and transportation facilities and the consequent ability or inability of these areas to begin to meet their own immediate needs. It is significant in this connection that there has been a tendency on the part of the supply authorities of the countries of western Europe to shift in recent months from demands for finished goods exclusively to demands for supplies including raw materials of a more rehabilitational character.

A perhaps inevitable cause of delay in UNRRA's planning and the definition of the actual scope of its operations has been, until the present time, the uncertainty with regard to the degree to which the occupied member countries will require its financial assistance. It is understood that formal requests for financial assistance in accordance with the procedure prescribed in the Financial Plan have already been received from Greece, Poland, Czechoslovakia, Yugoslavia, and China. It is probable that these countries will be those in be-

half of which UNRRA will perform its principal functions at least in respect of the furnishing of bulk supplies. In addition, it will have important duties in Italy and probably in Albania and Denmark. The status of the Soviet Union as a recipient of assistance from UNRRA has not yet been defined.

UNRRA's only function, however, with reference to the wealthier countries of northwest Europe, will not necessarily be the purely negative one of monitoring supply programs in the interest of preventing them from obtaining excessive amounts of short items at the expense of poorer countries. Although no official determination has yet been made of the capacity of the western European countries to pay for supplies or, indeed, of their desire for financial assistance from UNRRA, it is likely that they will themselves meet all or the greater part of the cost of their import programs in accordance with the principle that UNRRA is a service agency designed to perform only those functions that cannot be undertaken by existing agencies—and, specifically, that it will not deplete its resources for the relief of any area that is in a position to pay in foreign exchange.<sup>1</sup> However, even in the field of supply, it is expected that UNRRA may be of considerable assistance to some of these governments in helping them procure and ship specific commodities. The same may be true to a large extent with respect to some or all of the British, French, and Netherlands territories in Asia which have been occupied by Japan.

Beyond the field of supply, however, UNRRA has important functions with respect to all the occupied countries in the fields of health and welfare and in the care and repatriation of displaced persons. In varying degrees, depending upon conditions found after liberation, it is likely that these governments will look to UNRRA as a reservoir of assistance in those activities. The importance of UNRRA's work in the field of displaced persons speaks for itself; the care and orderly repatriation of the 20 million displaced persons of Europe is a task which is vital to the future of every Allied country of Europe. With respect to public health, UNRRA's functions will range from direct medical assistance in the more ravaged countries to the furnishing, in the case of others, of key technical personnel to help in the reestablishment of national agencies. All the countries of northwest Europe have indicated to UNRRA that they will

wish to avail themselves of these services. In view of the universal importance of this work to the occupied countries, it is encouraging to note the close working relations that have been established between UNRRA and the Anglo-American military authorities in matters of health and displaced persons which will permit UNRRA personnel to participate in operations in these fields during the military period.

It is hoped that as the great nations of northwest Europe arise again to resume their accustomed places among the nations of the world, their greatest source of interest in participating in UNRRA will be to contribute in personnel and in other ways to the Administration's work in other lands. This in effect was the answer of these countries, as indicated by the quality of the delegations which they sent to Montreal, to the rumors that some or all of them were to withdraw from UNRRA.

## II

The Report of the Director General to the Council on the progress of the organization disclosed many encouraging and concrete steps in making effective the provisions of the Agreement and Resolutions.

With respect to finance, 34 of the 44 governments have paid in whole or in part their quotas of administrative expenses for 1944, the amounts paid by them aggregating about \$8,300,000 out of an administrative budget of \$10,000,000 for this year. In addition to the United States, which has authorized total appropriations of \$1,350,000,000 in accordance with the Financial Plan and made a substantial appropriation under this authorization, several member governments have taken significant action on their operating contributions. The United Kingdom, Canada, and Brazil have completed action to make available the full amount of 1 percent or more of their respective national incomes for the year ended June 30, 1943, in accordance with the Financial Plan. The amounts of their contributions are the equivalent of \$320,000,-

<sup>1</sup>Recent press reports indicate, in view of the extent of destruction in the Netherlands owing to recent military developments, enemy sabotage of non-military installations, and general disruption of economic activities, that the Netherlands Government may find it necessary, despite earlier indications to the contrary, to request financial assistance from UNRRA in obtaining needed imports of relief supplies.

000, \$70,000,000, and \$30,000,000, respectively. The Union of South Africa, Iceland, and Liberia have made initial appropriations for this purpose of the equivalent of \$1,000,000, \$50,000, and \$15,000, respectively. Australia and New Zealand have initiated legislation on contributions of the equivalent of \$39,000,000 and \$8,500,000, respectively, corresponding in each case to 1 percent of the national income for the period in question, and Uruguay on a contribution of the equivalent of \$500,000. Other countries have indicated their intention of initiating action toward their contributions in the near future so that it is expected that a fund of approximately \$2,000,000,000 as visualized at Atlantic City should in fact be realized.<sup>1</sup>

With respect to supplies, the Report disclosed that excellent progress had been made in establishing relationships with the combined supply boards and the national supply agencies of the supplying countries. The Administration has made noteworthy progress in pressing its requirements programs before these agencies. Arrangements have been made with the military authorities for the integration of planning for liberated-areas requirements, including the understanding that in the event of the relinquishment by the military of their responsibility for relief in any given area before the termination of the assumed period of six months of military responsibility, the military will deliver to UNRRA, upon reimbursement, the remainder of the supplies procured by them for that area.

Encouraging reports were delivered to the Council by the combined boards, the purport of which was that it should be possible to meet the requirements of the liberated areas for 1945 with the exception of certain items, notably textiles, with which considerable difficulty may be experienced. In general, these reports disclosed a firmness of purpose on the part of the responsible agencies of the supplying countries in discharging their responsibilities for relief. Since the termination of

the Session it is understood that, in connection with the Brazilian contribution, a special UNRRA mission to Brazil has completed arrangements with the Brazilian Government for the delivery of 90 million square yards of cotton textiles for the liberated areas.

In the organization for relief and rehabilitation services and specifically in the organization and recruitment of personnel, the Administration's record is likewise one of considerable accomplishment. A staff of more than 450 is now on hand at headquarters and about 300 at the regional office in London, and more than 500 have been recruited for the Balkan-Cairo mission. In addition, the Administration has made arrangements for approximately 400 representatives of voluntary relief organizations to serve under its direction in the Balkans (a fact which, incidentally, should dispel some publicly expressed fears concerning the extent to which voluntary agencies were to be allowed by UNRRA to participate in relief in liberated areas). Substantial numbers of these agencies have already been transported to Cairo, and with the liberation of Greece rapidly becoming an accomplished fact, this personnel will soon be actively engaged in this critical area of UNRRA operations.

Although thus far the Administration's energies have been devoted primarily to Europe, planning for operations in the Far East is under way, and increasing attention should be given to them with the opening in the immediate future of branches in Sydney and Chungking in accordance with the announcement made by the Director General in presenting the Report.

The foregoing is a summary of some of the high lights of the Director General's Report, which was well received by the member governments in the debate before the Council. The members of the Council from the United States and the United Kingdom both recognized, however, that UNRRA, for reasons previously alluded to, had been subjected to considerable public criticism in their respective countries. Both urged that UNRRA should mobilize itself for action and be prepared upon immediate notice to begin its duties in the liberated areas; both pledged their country's full cooperation and support to the success of UNRRA.

### III

Although the principal item of business at the Session was the receipt and consideration of the

<sup>1</sup>An UNRRA mission, headed by Deputy Director General Eduardo Santos, formerly President of the Republic of Colombia, and including Assistant Diplomatic Adviser Laurence Duggan, formerly Director, Office of American Republic Affairs, Department of State, is now engaged in an official tour of most of the other American republics for the purpose of discussing with them various phases of their participation in UNRRA. Preliminary reports indicated that this mission has been most cordially received in the countries thus far visited and that an important degree of support can be expected for UNRRA from these countries.

Director General's Report, significant questions of policy which had arisen since the First Session were placed before the Council for decision. The principal decisions made by the Council are summarized as follows:

1. The Council unanimously adopted a resolution introduced by the United States member of the Council, Assistant Secretary Acheson, accepting certain declarations and reservations of the United States Congress in the enabling legislation which authorized appropriations for our participation in UNRRA and declaring that the provisions in question are consistent with the provisions of the Agreement and Resolutions on Policy. The Council also accepted parallel recommendations of the United States Congress and of the Legislative Assembly of India to the effect that, so far as funds and facilities permit, any area of importance to the military operations of the United Nations which is stricken by famine or disease may be included in the benefits to be made available through UNRRA. Although this resolution meets a widespread public demand for making areas such as India eligible for assistance from UNRRA in the event of their being adversely affected by the war, other principles applicable to UNRRA's operations apply to these areas as well as to those which have suffered from enemy occupation, including the provision that UNRRA shall not deplete its available resources for the relief of any area which is in a position to pay in foreign exchange.

2. The most important and difficult problem presented to the Council was the motion of the United States member to authorize UNRRA to conduct certain operations in Italy. The presentation of this resolution was strongly urged by all agencies of this Government having responsibility for economic and health conditions in Italy, and it also had wide-spread popular support throughout this country. In presenting the resolution, the United States representative made reference to the poor health conditions in Italy resulting from occupation by the enemy and destructive activities during his retreat. He stressed also that the action was not to be considered as a precedent for operations to relieve the civilian populations of Germany or Japan. The debate on the resolution and also particularly the statements of the members of the Council for France, Greece, Ethiopia, and Yugoslavia were moving and impressive. The Council unanimously authorized the Director General to

operate in Italy for the purposes of (a) providing medical and sanitary aid and supplies; (b) assisting in the care and return to their homes of displaced persons of Italian nationality; and (c) caring for children, pregnant women, and nursing mothers. The Director General was authorized in the resolution to expend up to \$50,000,000 in foreign exchange for the cost of this program. The UNRRA program for Italy, of course, will solve only partially the problem of meeting the immediate needs of that country. The greater part of the bulk supplies which must be moved into Italy from abroad will continue to be financed through other sources. The Italian Government will henceforth be in a position to pay for a substantial part of such supplies by virtue of the recent action of this Government in making available to the Italian Government for this purpose certain dollar funds resulting from the issue of lira for the pay of United States troops in Italy, from emigrant remittances, and from exports from Italy to this country.<sup>1</sup>

3. Certain complicated questions arose concerning operations in enemy or ex-enemy territory and certain classes of persons of enemy or ex-enemy nationality. On the motion of the United Kingdom Delegation a resolution was adopted making it clear, despite the restrictions in the Resolutions with respect to operations by UNRRA in ex-enemy areas, that UNRRA should have authority to operate in such areas for the purpose of combatting epidemics and assisting in the care and repatriation of displaced United Nations nationals. On the motion of the United States Delegation, there was adopted an amendment to that resolution, based in part upon recommendations submitted by Jewish and other interested organizations, which gives UNRRA authority to assist persons, regardless of nationality, who have been obliged to leave their country or place of origin or former residence or have been deported therefrom, by action of the enemy, because of race, religion, or activities in favor of the United Nations; the Council also authorized the Administration to assist such persons found in the liberated areas. These resolutions, therefore, will give UNRRA considerably more flexibility in its operations than that given under the more rigid provisions of the resolution adopted at Atlantic City which required specific Council approval for any operations in ex-enemy

<sup>1</sup> BULLETIN of Oct. 1, 1944, p. 338, and Oct. 15, 1944, p. 403.

areas; one of UNRRA's principal tasks will be the care and repatriation of displaced persons of United Nations nationality found in such areas.

4. With further reference to restrictions on operations in ex-enemy areas, the Council, on the motion of the Greek Delegation, declared the Dodecanese Islands eligible for assistance from UNRRA. In view of subsequent military developments, this action was particularly timely and will enable UNRRA to assist the distressed inhabitants of these islands who are almost entirely of Greek origin or nationality.

The Greek proposal was followed by the presentation of resolutions by the Yugoslav and Polish Delegations proposing that minorities of their respective nationalities in certain enemy territories should be eligible for assistance from UNRRA. These proposals were subsequently withdrawn, however, with the expression of the hope on the part of the Yugoslav and Polish Delegations that the acceptance of the Greek proposal might eventually constitute a precedent for these types of operations.

5. The Council voted to include India on the Committee on Supplies of the Council. The Government of India has informed the Director General that it proposes to submit to the Legislative Assembly of India at its next session, commencing November 1, the question of India's contribution to the operating expenses of the Administration.

6. The Council approved, virtually without change, the bases of requirements (relief standards) recommended by the Committee of the Council for Europe, on the basis of which the Director General will compute the requirements for the European area. The Council also adopted a separate resolution introduced by the Soviet Delegation, recognizing that it is UNRRA's primary responsibility to secure relief and rehabilitation supplies for liberated areas of the United Nations and that special weight and urgency shall be given to the needs of those countries in which the extent of devastation and the suffering of the people is greater and has resulted from hostilities and occupation by the enemy and active resistance in the struggle against the enemy.

7. The Standing Committee on Displaced Persons considered certain difficult questions within its competence which had not been entirely clarified at Atlantic City. The politically difficult question of the handling of so-called "intruded"

enemy nationals was decided by the adoption of a resolution which confers upon the Administration authority, if invited by the government of any liberated area, to assist in the removal of enemy or ex-enemy nationals who have been intruded into the liberated areas.

The Council also adopted a recommendation of the Displaced Persons Committee, the purpose of which is to define the extent of UNRRA's responsibility for the care and repatriation of displaced persons located in territories which the enemy has never occupied. This recommendation refers to the problem of displaced persons and refugees of war located in territories such as Africa, the Middle East, and the Western Hemisphere. The resolution, which is in conformity with the principle that UNRRA's resources shall be devoted primarily to relief activities in liberated areas of the United Nations, provides that (a) the Administration shall allot its resources for the care of persons in this category principally when they are in congregated groups rather than in favor of displaced individuals; (b) the Administration shall render assistance to such persons only when they lack resources to return to their homes; and (c) the Administration shall in general assume responsibility for such persons only in areas where the resources for their maintenance are inadequate or cannot continue to be made available.

8. The Council authorized the Central Committee under certain conditions to admit Denmark after its liberation to membership in UNRRA.

9. The Council considered a proposal of its Committee on Health for the amendment in certain respects of the existing international sanitary conventions which provide for the exchange of epidemiological information and for quarantine measures in connection with international maritime and air travel. The purpose of the amendments is to adjust the provisions of these conventions to modern medical practice and to authorize UNRRA to exercise for a limited period the functions previously exercised under these conventions by the International Office of Public Health in Paris which is unable for the time being to carry out its duties. The Council approved in principle preliminary drafts of amending conventions and requested the Director General to submit copies of these drafts to the member governments for their consideration and for the subsequent submission of their comments to the Council's Committee on Health. It is estimated that UNRRA would be

able to assume the functions of the International Office of Public Health for a minimum of additional expense and that it would thereby be placed in a better position to discharge its functions in the fields of displaced persons and epidemic control.

10. The Committee on Financial Control held detailed hearings on the administrative budget for 1945. While recommending that the activities of the Administration should be decentralized to the regional offices and field missions, it commended the Director General for having laid the foundations of a soundly designed organization. The Council also accepted the recommendation of the Committee for the approval of an administrative budget for 1945 of \$11,500,000, of which \$4,000,000 is to be carried over from the unexpended amount of the administrative budget for 1944. Of the additional funds of \$7,500,000 allocated to the member governments for 1945, the share of the United States is 40 percent or \$3,000,000. This amount will, of course, be paid out of the funds already appropriated by the Congress for United States participation in the work of UNRRA. The Council also approved the recommendation of the Committee on Financial Control for the appointment of the firm of Deloitte, Plender, Griffiths & Co. as the auditors of UNRRA and provided that the auditors shall consult with an Audit Subcommittee of the Committee on Financial Control to consist of not less than three and not more than five persons of special technical competence from the member countries.

11. On the motion of the Delegation of Czechoslovakia, the Council adopted a resolution calling the attention of the member governments to the restricted scope of UNRRA's activities in industrial rehabilitation and to the importance of providing means for joint consideration of the problems of continued rehabilitation. Although the agreements recommended at Bretton Woods would appear to go far toward meeting the needs pointed out by the Czechoslovak Delegation, the need for action in this field certainly will continue to exist at least until the Bretton Woods arrangements have been made effective or until other methods of financing have been evolved.

Other features of the Session included an inspiring address of welcome by Prime Minister Mackenzie King; the reports of the combined military authorities and combined boards referred to above; and a joint meeting of members of the Standing Committees of the Council on Health, Welfare, and

Displaced Persons with representatives of voluntary agencies for the purpose of discussing problems of mutual concern in connection with relief in liberated areas.

Although the agenda did not present questions approaching the complexity of those discussed at Atlantic City, many of the items at Montreal were of a highly controversial nature which, if considered under less favorable circumstances and if cooperation on the part of the delegations had been lacking, might well have given rise to irreconcilable differences of view and tendencies toward separatism.

It will be noted particularly that many of the proposals presented, in addition to some that were discussed during the Session but not formally moved, called for the extension of the Administration's activities into new fields. However justifiable these proposals may have been intrinsically, it is difficult to quarrel with the views expressed by certain members of the Council that UNRRA should not extend itself into new fields before it has mastered the tasks with which it is primarily concerned, namely, relief to the liberated areas of the United Nations. One of the most difficult points in connection with the American proposal for relief to Italy was that by force of circumstance Italy, an ex-enemy country, will be one of the first, if not the first, direct recipients of UNRRA's benefits. It can be understood that this fact was not viewed with enthusiasm by countries whose continued occupation by the enemy is due in part at least to Italy's previous attitude and actions.

In view of factors of this nature as well as of the concern of the governments of the occupied countries over the adequacy of the resources of UNRRA and the availability of sufficient supplies and personnel to enable it to perform its basic duties, it is of some consequence that agreement was reached on points where compelling reasons led to the imposition of new demands upon the Administration's facilities—even though such new demands do not in any sense alter the basic pattern of UNRRA's operations. Although it is frequently said that "if the nations can agree on anything, they can agree on UNRRA," the achievement of that agreement is somewhat easier in contemplation than in execution. Perhaps we may indulge in the hope, however, that the tendency to reach agreement will be cumulative, in this and in other sectors of international endeavor.

It seemed to be generally agreed that the Session was successfully concluded. Although more liberty might have been accorded to the press in attending meetings of the Council and its committees, there was no lack of official information on the proceedings; press comment was remarkably accurate and understanding throughout the Session, and the members of the press were unanimous in praising the manner in which relations with them were conducted.

The efficiency and courtesy of the Government of Canada, an outstanding supporter of UNRRA since its inception, and the effective leadership of the Canadian Council member, Mr. L. B. Pearson, as Chairman of the Session, contributed notably to the success of the proceedings.

#### IV

The Council Session has resulted in a definition of UNRRA's scope so far as it can now be set down on paper and, with the rapid military developments in recent weeks, the way is now clear for UNRRA to undertake important activities in the field.

Two main jobs remain to be completed before large-scale operations can be undertaken, namely, the mobilization of personnel for action and the accumulation of reserve stocks of supplies. With respect to organization, competent staffs have been assembled to handle UNRRA's planning, particularly in the vital functions of supply, health, and displaced persons and in other key positions. Much progress has been made in assembling and training personnel for the field within the limits of UNRRA's present knowledge of the actual extent of its responsibilities. But, as urged by certain members of the Council at Montreal, the organization and personnel must be constantly scrutinized in the light of actual demands to insure that it is adapted to action.

In the matters of personnel and supplies, as in all phases of UNRRA's work, the support and cooperation of its members will be decisive in the performance of its tasks.

The Congress of the United States has by large majorities taken the first important step, so far as our participation is concerned, by voting funds in accordance with the recommendations of the Council. The President, in appointing the Foreign Economic Administration as the service agency for UNRRA in the United States, has

strongly emphasized the importance as a matter of national policy of our participation in UNRRA and of there being available in all liberated areas those supplies that will be necessary for the health and welfare of the peoples in those areas. The national allocating-and-supply agencies have given great attention to the problem of meeting UNRRA's requirements. The military authorities have shown an increasing recognition of UNRRA's importance and have taken significant steps toward establishing liaison with it in all fields of its activities.

There are many difficulties, particularly in wartime, in adjusting national governmental procedures to those of an international organization. Those difficulties can be overcome only through trial and error and through the practical working out of operating relationships.

On the one hand, there is a wide-spread diffidence in dealing intimately with an international organization. Aside from obvious and frequently overstressed security considerations, the novelty of such an organization, particularly when it is concerned with duties of a somewhat eleemosynary nature, has sometimes led to the characterization of UNRRA as an idealistic enterprise which may furnish a calm haven for international do-gooders but one that will never accomplish much of lasting value. ("We handled it alone last time in a hard-headed and businesslike way and that should be good enough this time.") The great advantages of a pooling of the resources, talents, and knowledge of all interested nations, whether suppliers or recipients, may become obscured by its strangeness. There is a tendency to forget that we have entrusted upon this organization our participation in the first vital post-war job abroad and that we in this country have a very great stake in its success.

On the other hand, there is sometimes an equally unfortunate tendency to look upon this organization as an agency of this Government and to deal with it accordingly. Familiar faces well-known throughout Washington constantly turn up in UNRRA, and it is natural that these persons carry the brunt of the liaison with our national agencies. This unconscious sense of familiarity is all too often coupled with a conscious realization of the preponderance of United States funds and supplies in meeting the UNRRA programs to the ex-

*(Continued on page 524)*

# Degrees Conferred on the Under Secretary of State

## REMARKS UPON ACCEPTANCE OF DEGREE FROM NEW YORK UNIVERSITY<sup>1</sup>

[Released to the press October 23]

I am deeply gratified to receive this honorary degree of doctor of laws from a university which has so outstanding a record as one of America's great institutions of higher learning. In your contributions to the enlightened leadership of American youth, who are carrying to the far battlefields of this war the traditions which make America great and her universities a bulwark of civilization itself, I can see the great influence for enduring values which you, and others of the Republic of Letters, will bring into the life of this Nation, and of all nations, when peace comes again. New York University, through its Institute on Post-war Reconstruction, its seminars on post-war problems, its far-seeing lectures under the Stokes Foundation, is continuing the best traditions of higher education throughout the ages.

One of the statements embodied in the Dumbarton Oaks proposals looks forward to the promotion of "human rights and fundamental freedoms". These are the same human rights and the same fundamental freedoms for which the great intellectual leaders of mankind have struggled since the ancient beginnings of Athens, Jerusalem, and Rome. The Charter of the United Nations, toward the establishment of which we took the first steps at Dumbarton Oaks, will be designed to advance these rights and these freedoms for all peace-loving peoples. Organization, however, will never alone suffice: Pacts and treaties and institutions are necessary instruments, but they will lead to effective action only when there is a firm will to support peace and to develop the fuller life which they are intended to make possible.

The challenge to our colleges and universities now and in the future is as unmistakable as their opportunity. It is for them to assert anew the great principles which have given rise to our civilization. It is for them to strengthen the ties with our own past, that glorious history of a people intent on freedom and happiness for all in a law-

abiding society. And it is for them to demonstrate the not fully understood truth that in this interdependent world of the twentieth century the freedom and well-being of nations and peoples, hand in hand with security itself, must be advanced by international cooperation rather than by national action alone. As reflected by the Dumbarton Oaks proposals, security resides not only in the collective determination and action of all peace-loving nations and peoples but also in their friendly cooperation for the solution of international economic, social, and other humanitarian problems.

The great opportunity of American colleges and universities lies in the fact that they are institutions of the people. They are open not only to the selected few but to those of gift and promise from all walks of life. Their research and their teaching belong to the people. This has been one of our great sources of strength as we built our own democracy. This will enable us also as a nation to act in the future with enlightened self-interest, with thoughtfulness, and with a common will for the realization of a world order within which we shall be able to live at peace. Hitler destroyed his universities and as a result the mind of Germany was blighted and science was distorted for deadly purposes. Our universities and their students must continue to serve the truth which alone can make mankind truly free and enable our people and all peoples to live the life abundant.

## REMARKS UPON ACCEPTANCE OF DEGREE FROM STEVENS INSTITUTE OF TECHNOLOGY<sup>2</sup>

[Released to the press October 28]

I am deeply gratified to receive this honorary degree of doctor of engineering from Stevens Institute of Technology, the same great institution of learning which at the close of the last war honored my father by the award of a similar

<sup>1</sup>Delivered on the occasion of receiving the degree of doctor of laws, New York University, on Oct. 23, 1944.

<sup>2</sup>Delivered on the occasion of receiving the degree of doctor of engineering, Stevens Institute of Technology, on Oct. 28, 1944.

degree. In addition I must mention, at this point, my long association and great admiration and friendship for the distinguished chairman of your board of trustees, Mr. Robert C. Stanley.

Ever since its establishment in 1870, Stevens Institute has been among the pioneers of scientific advance and of progress in engineering. It has thus perpetuated the great traditions laid down by the Stevens family, from Col. John Stevens to Robert L. and Edwin A. Stevens, who are justly counted among the greatest contributors to the industrial development of this country, and who, by their work for steam navigation and railroad transportation, opened up ever wider horizons before the American people. In recent years, Stevens Institute has made outstanding contributions towards making our country the arsenal of democracy. In this connection I desire to pay special tribute to President Harvey Nathaniel Davis, who, as Director of the Office of Production Research and Development of the War Production Board, has carried the traditions of Stevens Institute for public service into his splendid achievements in aiding our Nation and our Allies toward the attainment of victory.

Great tasks await the men of science during the years to come. The peace-loving nations of the world are determined to put an end to wanton aggression and wars. To this end they are now engaged in creating an international organization for the maintenance of peace and security, in which this country is to play a role commensurate with its strength and resources. It will be for our scientists and engineers to give us the technical equipment, embodying the best scientific achievements, which will enable our great Nation, in cooperation with the other peace-loving nations, to carry out its mission. The forces of destruction must not again dare to break the peace and assault the forces of freedom in the world.

It is in such a world built on law and order that science and engineering will be able to attain their greatest triumphs. The inventive genius of scientists and engineers, having helped to free the world from fear, will be called upon to help create a world free from want. Their work will be as vital in laying the foundations of a new prosperity in this country as it will be in building peaceful inter-

national relations through the improvement of communications, of transport—of all the helpful exchanges and interchanges which support peace and advance the well-being of peoples. The proposals resulting from the international conversations at Dumbarton Oaks envisage that under an Economic and Social Council of the United Nations there should be a number of specialized agencies. By these and other means, experts in various fields of human endeavor, including the humanities, will be able to further the peace, security, and well-being of the peoples of the world once their vast achievements can again be fully devoted to the progress of mankind.

In 1928 the faculty of Stevens Institute undertook to strengthen the study of economics and the humanities. It thus gave recognition to the fact that scientific progress must be accompanied by an equal growth in understanding of the great moral laws of life. By this pioneering move Stevens Institute advanced the day when science itself will be generally recognized as one of the great branches of the humanities, with scientists and engineers in the vanguard of human advancement, serving the needs and aspirations of a humane society. This, as much as anything, gives us hope that the time is near when nature's resources will be harnessed, not for destructive warfare, but for the construction of a society in which the least among us will be able to live a creative life in peace and security.

I am indeed proud that from this day on I shall have an even closer association with your great institution, which embodies the genius of our people at their best, their inventiveness and their skill, as well as their abiding faith in humanity.

## THE FOREIGN SERVICE

### Diplomatic and Consular Offices

The American Embassy at Brussels, Belgium, was opened to the public on September 18, 1944.

The American Consulate General at Antwerp, Belgium, was established on October 17, 1944.

# Education in Germany Under the National Socialist Regime

By LEON W. FULLER<sup>1</sup>

## National Socialist Education in Theory and Practice

### THE EDUCATIONAL THEORY OF NATIONAL SOCIALISM

#### *The Appeal of National Socialism*

The Nazi conquest of power came about largely as a result of a successful educational campaign to win the mind of the nation; not that even a majority were convinced adherents of Nazism in January 1933, but the foundations had been laid for acceptance of its doctrines. Hitler's talents were primarily those of the popular educator and propagandist—*Mein Kampf* was a fighting document, a creed, and a program fervidly and fanatically presented. The Nazi gospel was an effective fusion of three elements—nationalism, socialism, and racism—and it was broadcast to a population attuned by their discontent to a ready acceptance of its irrational but compelling appeal.

The strength of the Nazi movement resided in a population group of from 20 to 35 years of age, the unrooted generation who had never experienced normal and stable conditions and whose youth and early maturity had paralleled an era of war, revolution, social and economic chaos and insecurity, and international disturbance. Adventurous and reckless, unadjusted to civilian pursuits, contemptuous of the bourgeois ethos and of a system which had failed, they were ready to accept iconoclastic dogmas and dangerous but alluring programs. This group was relatively easy to win over, and with its enthusiastic support the Nazi leaders were enabled to broaden their appeal to the many discontented elements in the nation. To reactionaries they could offer a war on Bolshevism and a strongly nationalist creed. To workers and the unemployed they could promise an end to the system of capitalistic exploitation and a rehabilitated economy. To those disillusioned with parliamentary government they offered the *Führerprinzip* in the old German tradition. To nationalists and militarists they promised revision of the Versailles

Treaty and the rearmament of the Reich. To all who had suffered from humiliation and loss of status they offered a scapegoat theory, anti-Semitism, and a sense of racial pride and superiority. The formula of National Socialism, however inconsistent and irrational, was a common denominator of the fears and hatreds, the hopes, cravings, and ambitions of thousands of Germans of every group and class.

Moreover the National Socialist ideology was exclusively derived from German and European thinkers whose concepts already were a part of the mental furniture of many Germans. Among the seminal ideas which inspired the Nazi theorists were:

- Subordination of private interests to public welfare (Plato, Adam Müller, Fichte)
- Freedom as organic relatedness and limitation or *Bindung* (Hegel)
- The Folk as organic entity embraced in total state (Fichte and many others)
- The Nordic or "Aryan" race myth (Gobineau, H. S. Chamberlain, Lagarde, Wagner)
- The leader principle (Fichte)
- Duty as absolute imperative (Kant)
- State as total power (Machiavelli, Treitschke)
- Sense of a German mission (Geibel, Fichte, Lagarde, and innumerable others)

However distorted to their own uses by the Nazis, these and other ideas were at least familiar to most educated Germans and highly acceptable in their Nazi guise to many. In fact it may be

<sup>1</sup>Mr. Fuller is a Country Specialist, Central European Section, Division of Territorial Studies, Office of Special Political Affairs, Department of State. This is the second in a series of three articles by Mr. Fuller on education in Germany under National Socialism. For the first article on "Antecedents of National Socialist Education" and "Education Before National Socialism", see BULLETIN of Oct. 22, 1944, p. 466; the third article, "The Higher Learning and Extra-Curricular Education", will appear in the BULLETIN of Nov. 5, 1944.

argued that National Socialism has come to be considered widely in Germany as a definitive statement of Germanism in essence—hence the ease with which it has been propagated and the difficulties which will probably be encountered in any attempt to destroy it by severing its rootage in traditional German views which are an outgrowth of German historical experience and, as part of the national heritage, are tenaciously held.

*The Nazi Critique of Liberal and Humanistic Education*

That National Socialism is an attack upon the Western heritage is now a generally accepted truism, nowhere more applicable than in the field of education. Before considering this basic antagonism the underlying premises of Nazi educational theory may be noted.<sup>2</sup> To the Nazis the individual is a myth, having no separate existence apart from the "total collective-personality" of which he is a member. This larger, all-comprehending corporate personality is the *Volk*, a spiritual-historical being, the ideal form, mold, or type for all its members. It is immutable and eternal, the reality which endures and transcends ephemeral circumstance, always embodying the ideality and objectives of personal, group, and national life. Thus educational objectives cannot be devised or formulated for preconceived ends—they are predestined by the nature of the *Volk* and must be discovered. Personality is a derivative of race and cannot be fashioned arbitrarily, nor can it evolve autonomously in accordance with its own laws. The forming of personality consists in activating those powers which are inherent in the individual as a member of the collective organism, the *Volk*. The goal of education is "German, folk-bound, moral-religious character" or, more simply, the making of a German man. True education is always "to type"; its objectives are shaped by the "world-outlook" (*Weltanschauung*) of a particular *Volk*.

<sup>2</sup> Walther Wallowitz, *Deutsche Nationalerziehung* (Leipzig, 1936), pp. 5-14. Max Troll, *Die Schule im dritten Reich* (Langensalza, 1933), p. 2.

<sup>3</sup> Fritz Söllheim, *Erziehung im neuen Staat* (Berlin, 1934), pp. 25-33. Karl F. Sturm, *Deutsche Erziehung im Werden* (Berlin, 1938), pp. 75-77. Hermann Schaller, *Die Schule im Staat Adolf Hitlers* (Breslau, 1935), pp. 28-85. Richard Oechsle, *Erziehung und Glauben* (Würzburg, 1939), pp. 31-55. Erich Lohl, *Das pädagogische Erbe des Liberalismus und das völkische Weltbild* (Düsseldorf, 1937), pp. 1-52. Alfred Bäumer, *Politik und Erziehung* (Berlin, 1937), pp. 57-66.

There is no place for free, that is arbitrary and unmotivated, cultivation of the mind; "abstract life-strange theories" are to be avoided. The totality of life is embraced in the educational process, which is a function of life itself, life conceived as unending struggle, activity, tasks to be performed. But life has meaning and values only as it flows naturally from the necessities of the *Volk*. An ethno-cultural determinism must rule all educational procedures.

It becomes evident that Nazi education could have little in common with the liberal and humanistic concepts which have guided modern progressive education and which had gained a foothold in the schools of the Weimar Republic. Nazi educational theorists developed an elaborate critique of so-called "liberal" education in contrast to the *völkisch* type which they championed.<sup>3</sup> Liberals, they argued, ever since the Renaissance had mistakenly posited the free, unbound personality embodying its own law of development, without rootage (*Bindung*) in society, folk, or state. Hence humanistic education became essentially "egocentric self-cultivation" (*selbstzweckliche Eigenbildung*). From this erroneous concept flowed all the evils of modern liberal "reformist pedagogy". It ignored the existence of the folk-community (*Völkische Gemeinschaft*), the concrete, historical realities of folk and state, race and culture as conditioning factors. "Psychologism" became an obsession, pedagogy a mere "technology of instruction" isolated from its "social feeding ground", cut off from the living historical social structure. The positivist pedagogical science of Herbart had assumed an abstract, generalized humanity, an atomized, disassociated individual. Hence it had produced a mechanical system adapted only to the mythical lone individual in a general qualityless society. "King Child ruled the school", a condition resulting only in a training without values, goals, or objectives. All talk of the "unchaining of creative powers", or the "harmonious development of personality" was meaningless as long as it ignored the *Volk* as frame of reference. The inevitable evils of such schooling were over-emphasis on sheer intellectualism and the acquisition of useless knowledge, anarchic individualism, one-sided development, estrangement of the academic world from life, a flabby cosmopolitanism, and ultimately social and political chaos and disintegration.

Nazi theorists were convinced that the era of liberal education had ended and that a new day

had dawned. The "world picture" (*Weltbild*) must now be redrawn in terms of "folkish" concepts, instead of seeking to portray an abstract humanity. Education must have firm rootage in the soil of native culture. There was to be no self-contained or self-determined schooling but only the shaping of the individual as a cell of the organic whole. The limits of reason were to be recognized—instinct and emotion, blood, race, and folk-personality must come into their own. In as much as the state was merely the incarnation of the folk (*Volk in Form*) all education must be political. Thus leadership would emerge, "folk-rooted, heroic personalities" endowed with physique, will, and character. The autonomy and isolation of the school would be ended—it would become one of many forces guiding and molding the ideal racial type and aiming not at an abstract perfectionism but at growth and maturation of the folk-bound personality.

The contrast between liberal and Nazi educational theories may be presented graphically as follows:

Liberal theory: The Child (Sole Determinant)→Life Forms (Free Development)→Institutions (Economic, Social, Political, Cultural, Religious).

Nazi theory: Nature (Blood-Race-Soil)→*Volk*→Physique, Intellect, Character, Spirit (Pre-Determined Development)→The German Man.

#### *Hitler's Educational Views*

From the beginning Hitler has proclaimed education to be the foremost task of the state. In his New Year's pronouncement of January 1, 1939 he declared: "The first task is and remains—as always in the past—the education of our people for the National Socialist community." His *Mein Kampf* is basically a textbook of Nazi doctrine, and his speeches have been devoted largely to popular enlightenment and indoctrination. In both, as well as through his policies, he has made clear his conception of education. His success in putting his ideas into effect is only too apparent to the world at large.

In Hitler's opinion the first goal of an educational program must be the elimination of the errors and fallacies arising from miseducation in the past.<sup>4</sup> Education is at first an instrument of warfare against men, influences, and ideas considered false or harmful to a people. According

to Rauschnig he has said: "I shall eradicate the thousands of years of human domestication. Then I shall have in front of me the pure and noble natural material." Erroneous ideas are slow poison, undermining and corrupting the healthy folk-organism and destroying it by disease (*Volkskrankheit*). They must be rooted out and supplanted by indubitable and unchallengeable truth. This requires complete control and utilization not only of the schools but also of all media through which thought and conduct may be influenced. Total experience educates, and consequently social control must be complete and all-embracing. In a modern complex urban society much education comes about as an unconscious conditioning through environment—hence the necessity for the extensive regimentation of social life.

True education, Hitler maintains, is a shaping of the will through instinct and emotion, directed to action. Its purpose is not to transmit a heritage but to change men. They are to be changed through directed activity guided by a clear sense of values and ends. While he stresses the formative aspect of education, he admits that all education arises from self-knowledge and self-activity. It cannot be compelled. It is not a forced modification of essential nature but a means of assisting and stimulating the development of what is latent and innate, awaiting maturation. False education thwarts natural development; true education considers the potentialities of the individual, what he is capable of becoming. But underlying all is Hitler's major premise of the rootage of the individual in the folk-community, his organic relatedness to it—hence the danger either of "autonomous" education or of the attempt to superimpose alien ideas or concepts. Man cannot absorb learning passively, and since he can act only in accordance with his own nature education must plumb the depths of racial instinct and heritage.

In Hitler's opinion physical training is of primary importance, the molding of character and will of less importance, and the training of the mind and the acquisition of knowledge of least importance. Hitler's emphasis on physique and will at the expense of intellect is due in part to his desire to counteract the over-stress on intellectualism

<sup>4</sup> Wilhelm Höper, *Adolf Hitler, der Erzieher der Deutschen* (Breslau, 1934), part I.

for which German education has often been criticized, but more fundamentally to his racial and activist theories. He believes that a people degenerates if it neglects or attempts to transcend its natural instincts. Education must be kept near the level of the primitive, even the barbaric, in man. Instinctive intelligence (*Vernunft*) is a surer guide than mere intellectual understanding (*Verstand*) or knowledge (*Wissenschaft*). His revolutionary program required that he elicit the utmost energy and capacity for action from every individual, which fact may explain his comparative indifference to purely academic training. He condemned the "pumping in" of useless knowledge and the indiscriminate indulgence in "foreign fare" apt to poison the true German nature. This is evident in his attitude toward history, which he maintains should be taught in broad outlines as a guide to behavior and a source of national pride and inspiration, not as objective representation of facts. All education should be motivated by faith rather than reason. It was an unending process, guiding, shaping, and inspiring the nation on the road to the fulfilment of its destiny; and always it was rooted in and determined by the bio-cultural inheritance, never free, autonomous, or arbitrary, but responding to the life-imperatives of a race-rooted *Volk*.

#### *Basic Concepts of Nazi Theory*

The broad lines of Nazi educational theory should now be apparent. Its specific character and impact upon Western theory and practice may be further clarified by an analytical summary of its most fundamental concepts, which, incidentally, are basic to the whole Nazi ideology.

*Naturalism.* This much-abused term must be used here with caution. To Nazis it implies the organic wholeness, relatedness, and determinism of life-forms.<sup>5</sup> Education is the shaping (*Bildung*) and unfolding of the organic. It is always goal-determined, its objective being fruitage in successful functioning and activity. Goethe has inspired many Nazi educators with his maxim: "I detest everything which I am merely taught and which does not bear fruit in my actions." But Goethe admired a cultivated personality; Nazis prefer an education which will release and enhance collec-

tive powers. The forces to be tapped lie deep; hence "the irrational and vital values must be respected." Peasant life, rural landscapes, the song of the lark—these lie close to nature and have potentiality for education. Deepest in man lie the spiritual powers (*seelische Kräfte*), springing from the mystical tie between soul and landscape, blood and soil. Man's intimate relatedness (*Gebundenheit*) with nature is the source of all culture, the inspiration of all true educational procedure.

*Race.* Race is the natural form which differentiates life, a primal unity of living substance expressing itself in body, spirit, and soul, the basic reality which gives meaning to all knowledge. Humanity is a myth—there are only racial types. Education, then, cannot develop man but can only elicit responses characteristic of a racial group. Blood has symbolic significance—it is the source of the spirit of a race and transmits the ancestral heritage. The end of education is the development of the child for full membership and functional participation in the folk-community based on blood and soil. The preservation of racial purity is of paramount importance; education becomes a matter of breeding in the literal sense. It must guard against the infiltration both of alien blood and of alien ideas.

*Volk.* The German word *Volk* is untranslatable as "folk" or "people." It implies the organic union of a racially determined community in a collective personality embracing generations past, present, and to come. Hence it is eternal, immutable—as fixed as a Platonic type or form. It is somewhat elusive but none the less real as a spirit or symbol to which men attach themselves, in which they fervently believe—a myth, in the Sorelian sense, which gives meaning to their lives. Its existence and perpetuation depend upon a common body of teachings which provide a people with an inner bond and conviction and spiritual nourishment. It is the magic formula of National Socialism, not conceived by the Nazis—for Herder, Fichte, and many others had emphasized it—but utilized by them as a universal solvent of problems, the criterion of all policies and values. For education it meant that the curriculum must be shaped by the heritage and needs of the folk-community (*Volk-Gemeinschaft*). The rootless individual and a mythical humanity were no longer of value as criteria; education must return to the organic

<sup>5</sup>Karl Weber, *Der organische Grundgedanke in der neuerstehenden völkisch-politischen Bildung* (Düsseldorf, 1939), pp. 1-33. Hans Suren, *Volkserziehung im dritten Reich* (Stuttgart, 1934), pp. 64-67, 112-26.

unity and wholeness of the *Volk*. It must view the total community as a school, all culture as *Heimat-Kultur*.<sup>6</sup> Alien cultures must be studied with caution and only against the background of the culture of the homeland; all contact with what is alien to one's being (*Artfremden*) is dangerous. It is a law of education that each individual can grow only into what his own nature dictates. This nature is predetermined by that organic entity of which he is a member; hence all education that ignores this fact can result only in undisciplined, ill-balanced, and unintegrated personalities. Only through "folkish" education can the individual achieve fullness of personality and the harmonious development of capacities and powers. The emphasis upon the *völkisch* principle in education, which antedates the Nazis, illustrates the introvert character of German thinking and contributes to a dangerous distortion of reality, since the German tends to give the surrounding world the form and imprint of his own ideas.

*Anti-intellectualism.* The *Volk* is a communion as well as a community, a fellowship of faith and feeling. The lone thinker easily becomes divorced from his community and no longer shares its intuitive grasp upon vital truths. The typical intellectual is described by Hitler as "always indulging in sophistry, always searching and probing but always wavering and uncertain". Nazis argue that modern education has disturbed the natural balance between the human faculties; "the lost equilibrium must be restored", declares Rust. They cite Froebel: "The whole life of man is education" ("*Alle erziehen Alle*"). The intellect must be put in its place and the dangers of soulless specialization avoided. The mechanical, isolating, abstracting function of reason (*Verstand*) must be held within bounds. Nazi educators profess to aim at the creation of rounded, dynamic characters, and they feel that the potency of intellectual training alone for this purpose is limited. "You do not grasp after the truth with cold-blooded reason, but with the passion of a glowing heart, in which reason ranges side by side with will, courage, imagination, and enthusiasm."

*Freedom.* Nazi thinkers, as indicated earlier, criticize the liberal concept of freedom in its application to education as mistakenly assuming an autonomous and self-directive principle in the individual considered apart from his folk-community and state. They maintain—as German philosophers, notably Hegel, have generally done—

that the only freedom is the realization of potentiality; there can be no freedom to achieve the impossible. The individual is free if he wills as the *Volksstaat* wills—all else is anarchy and futility. Society is a hierarchy of unequal personalities of varying and unique capacities, and freedom can consist only in their development through the participation of the individual in the life of the folk-community in harmony with its collective ends.

This view of freedom eliminates the dualism between the individual and society which pervades liberal educational theory; self and society are merged and freedom becomes organic relatedness (*Bindung*). It is scarcely accurate to speak of Nazi education as destroying the freedom of the schools, since the Western-liberal concept of freedom has never prevailed in Germany. The Nazis simply utilized the old German concept (*deutsche Freiheit*), taking advantage of the fact that the average German desires direction and orders from above and feels most free when he is serving some super-personal end. But undoubtedly the regime has placed more restraints upon the schools and brought them into a more rigid scheme of regimentation than they have ever experienced before.

*State and Politics.* The state is held to be the outward form, bearer, and protector of the *Volk*, and as such it is absolute collective power, maintaining and perpetuating the national community. Education is the inner molding of life for fitness to share creatively in the tasks of the political community. Politics is the outward, education the inward aspect of national life. The two are vitally related and mutually indispensable. Since education is the inner preservative of the folk life as embodied in the state, it must follow the pattern set by the state and cannot function in a zone of detachment and aloofness from politics. Education becomes essentially the "political manipulation" of youth—education and political science are one. Schooling means national discipline.<sup>7</sup> The state, however, is no inflexible instrument of power; it responds to the living, growing will of the *Volk*. Thus education by molding popular culture and ideals may influence the state. Since

<sup>6</sup> Walter Gross, *Russic, Weltanschauung, Wissenschaft* (Berlin, 1936), p. 11. Söllheims, *op. cit.*, pp. 5-7, 41-49.

<sup>7</sup> Ernst Krieck, *National Politische Erziehung* (Leipzig, 1933), *passim*. Cecilia H. Bason, *The Study of the Homeland and Civilization in the Elementary Schools of Germany* (New York, 1937), p. 106.

the state can function only through an elite of leaders, the selection and training of leaders becomes one of the most essential tasks of education in the National Socialist state.

*The Soldierly Ideal.* Since war is the crucial test of survival for the state, education must contribute to the moral and technical armament of the nation. It must from the earliest years inculcate the warlike or soldierly virtues. Since struggle is the law of life the educator cannot neglect its implications. A heroic will outweighs encyclopedic knowledge. All subjects must contribute to defense-mindedness and to understanding of the art and science of war. Perhaps half the articles published in National Socialist educational journals during the last decade relate directly or indirectly to preparedness for war. From folk tales of heroes to the study of chemical warfare, school instruction becomes training in *Wehrwissenschaft*.<sup>8</sup> The prefix "*Wehr*" has of late years become attached to many subjects of the curriculum. The Nazi stress on "education for death" is to be explained in part by the political imperatives of the movement; but it is also due to the underlying philosophy which holds that all life is warfare and that states can survive in the modern world only by mobilizing the moral energies as well as the material resources of their peoples for war.

*The Relativity of Truth.* Nazi theory denies the existence of a positivist system resting on truths of universal validity. "Every science is an ever-changing thing, its contents ever renewed, always growing with the total scientific and cultural development, hence an eternally new science." Moreover truth is a unifying principle engendered within—the central axis or "kernel-concept" which harmonizes all detail into a *Weltbild*, a structure of thought stemming from a particular *Gesamt-schau*, comprehensive over-view, or *Weltanschauung*. Its source is the unconscious—a healthy folk-instinct is a surer guide than reason. "Reality is not a thing one can see from without . . . one can only understand it by belonging to it." Truth is a self-generated myth.

<sup>8</sup> An entire issue of *Deutsche Volkserziehung* (German People's Education) was devoted to air defense. Other issues, 1935-39, dealt with geopolitics, Jewish imperialism, the psychology of defense, the service of mathematics and physics to warfare, Germany's colonial needs, and similar topics.

It follows that no educational system can claim eternal verity and validity. Education is bound to an ever-changing social and cultural complex as fluid and dynamic as the life supporting it. But the constant factor, the *Volk*, as a community racially and historically determined and evolving its own unique form and style, conditions its own type of education, thus avoiding the chaos of interests and ideals characteristic of liberal pedagogy. It preserves its own form and values through all the vicissitudes of historical change. Thus while, in the words of Max Scheler, there is no "absolute historical constant" as a guide for all peoples at all times and in all places, a *Volk* in a given state of development, that is, at a given time and under particular historical circumstances, creates its own valid criteria for science and truth and consequently for its own educational theory and practice.

*Views of Krieck and Rust.* This analysis of Nazi educational concepts may be concluded by noting the views of the two men who are, perhaps, the most important official exponents of Nazi educational doctrine: Ernst Krieck, long associated with Heidelberg University as professor of philosophy and rector, and Bernhard Rust, Reich and Prussian Minister of Science, Education and Popular Instruction.

Krieck maintains that character is destiny. The individual is indissolubly related to his *Volk*—education cannot be autonomous but can only develop in him the potentialities of his people and race. Race determines national character, which in turn shapes the individual. Education is merely the unfolding of race-bound traits in accordance with the native capacity of each individual. The rootless, self-centered dilettante can have no place in a national community. All Germany's troubles have arisen from the defects of her *Volk* character or lack of it. Not Weimar dilettantism but the soldierly spirit of Potsdam has created the new Germany. The notions of general education and the universality of culture will "melt away together with the outworn idea of humanity". Methodology in education is less important than the play of social forces—life has meaning only in the great organic whole. Hence education derives its entire meaning from the historical necessities and present tasks of the state; it must be essentially political in character. The pupil must be treated as an "evolving member of

the *Volck*"; the school is a smaller segment of the folk-community.<sup>9</sup>

Rust sees in education a weapon of the *Volck* in the struggle for a more abundant life. The consciousness of race, long slumbering in Germany, has awakened to new life and has supplanted every other consciousness, whether religious or humanistic. "Action and action alone, not indolent pondering of the past, is the soul of education." The school must emulate life, which is struggle. Passion, will, and feeling are all-important in learning which depends not on understanding only but on the creative powers. "Life can only be kindled by life." Race is the "fecund and animating principle" of human life, shaping the social order and inspiring the directives of educational procedure. The aim of education is not culture, spiritual freedom, or emancipation of the mind. It is the shaping of each individual as a proper member of his *Volck* and for the common tasks imposed upon all by this membership. "Education is training for a life of might." Learning is conquest.<sup>10</sup>

#### NATIONAL SOCIALIST SCHOOL REFORM

##### *Changes in Organization*

*The Ministry of Education.* In 1934 all educational authorities of the Reich were centralized in a Reich and Prussian Ministry of Science, Education and Public Instruction, effective January 1, 1935. This included:

1. Central Office for Administration
2. Office of the Minister
3. Office of Science, with control over universities, higher education, and research
4. Office for Education, controlling the elementary, middle, secondary, and vocational schools
5. Office for Adult Education and Popular Training
6. Office for Physical Education
7. Land Year Division
8. Division for Church Affairs

In each state the former education ministry was supplanted by a State Education Office under the Reich ministry. In the Prussian provinces the control over the elementary, middle, and secondary schools was further centralized. Thus for

the first time the entire school system of Germany was placed under a single control.

Centralization was carried further by the application of the leader principle throughout the system, which now, from elementary school to university, became a hierarchy culminating in the Ministry of Education. The school principal was restored by decree to a dominant position in school administration, a status which he had lost under the Republic when he shared power with a democratically controlled Teachers' Council. He could now visit, criticize, or discipline teachers as National Socialist exigencies might demand. All groups of teachers and students were brought together in unified national associations. A stream of decrees and directives emanating from the central ministry sought to mold the entire system in harmony with the national interest. All aspects of school administration were standardized and coordinated; the system became the "perfection of deputized efficiency".

*The Elementary and Middle Schools.* The basic elementary school (*Grundschule*) was retained by the Nazis. Its task remained essentially the same but with increased emphasis upon "German" studies. Classroom instruction was supplemented—often interfered with—by outside activities related to the youth organizations and national services. The pedagogical institutes of the Republic were transformed into high schools for teacher-training (*Hochschulen für Lehrerbildung*), a name which significantly avoided alien terminology. These were purposely located in smaller towns to give the cadet teachers close contact with the countryside and its people. There was for a time a requirement, later eliminated, that secondary teachers as well must spend one year in the elementary training schools before going on to the university, the aim being to level the barrier of caste which has traditionally separated elementary and secondary teachers in Germany and to imbue all teachers with the sense of a common national obligation. The training of the teacher

<sup>9</sup> Krieck, *op. cit.*, pp. 16-23. Aurel Kolnai, *The War Against the West* (New York, 1938), pp. 318-20.

<sup>10</sup> From official pronouncements cited in *Völkische Beobachter*, Feb. 13, 1938. Gregor Ziemer, *Education for Death* (London, 1941), pp. 17-19. *L'enseignement primaire et l'éducation raciste in Allemagne* (Paris, 1940), pp. 63-64.

was more along the lines of *Volkskunde* than pedagogical method. The German landscape, the traditions and folklore of the countryside, folk arts, race hygiene, the German national idea, and the requirements of "Greater Germany" were stressed. In turn, then, the schools were converted to the service of the state, the subject-matter, methods, and atmosphere of the schoolroom promoting not so much the free development of childish capacities as the subjection of the child to influences molding him for service to the National Socialist community.<sup>11</sup>

There were attempts to simplify the various types of middle school (extending six years beyond the four-year *Grundschule*) along the lines of the Prussian model. Vocational emphasis was increased, but a minimum of "cultural" education was retained. These schools were designed to prepare for the "middle" type of vocations in industry, trade, and public service. Qualified graduates might enter the upper classes of the secondary schools. In 1940 it was decreed that the *Hauptschule* (four years of free, compulsory instruction and two years of optional work with fees) should be introduced and ultimately should supplant all other types of middle schools. It was distinctly a vocational school, intended to deflect pupils from the still-exclusive secondary schools and to eliminate gradually the class idea in public-school education. School authorities were to exercise broad jurisdiction in deciding what course each student should follow.

*Secondary Schools.* The Nazi leaders were disturbed at the class-selective character of the secondary schools, yet they had no wish to open the way to higher education for the masses. The classical *Gymnasium* has been reduced in importance as being too far out of touch with current life and problems; other types of higher schools have been simplified, with one basic type predominating, the *Oberschule* or upper school. The period of secondary education has been reduced from nine to eight years. Schools are separate, as heretofore, for boys and girls: Those for boys offer two main types of programs, one emphasizing science and mathematics, the other modern languages; those

for girls offer a language program and another with stress on home economics. The major emphasis in the newer-type secondary schools is upon nationalistic ideology and training for war services. These schools are rapidly supplanting the old *Gymnasium* with its classical and humanistic training. The *Aufbau* school continues as a six-year institution, mainly vocational and found chiefly in rural districts.

The Nazi concept of education is clearly expressed in the comments of Minister Rust on the decree of March 27, 1937 for reform of the higher schools.<sup>12</sup> The older schools, he argued, had lost contact with the vital currents of national life which alone can create a social order and shape its culture. The classical *Gymnasium* with its ideal of a cultivated personality must make way for a school fitted for the real German man as blood and historic destiny had made him. A new society must set for itself definite goals to which education must conform. "The German school is a part of the National Socialist educational establishment. Its task is, along with the other educational forces of the people but in accord with its own particular means, to form the National Socialist man." The upper schools, while no longer the prerogative of a class, were still to be selective, but blood, conduct, attitude, and character were to be the criteria rather than intellectual accomplishment. Like all other Nazi institutions they must be "fighting organizations"; there could be no "closed system" of education standing aloof from the battle. The schools must close ranks. Not pedagogy but "shared combat" in behalf of a preconceived political order was the true educator.

*The Land Year and the Rural School-Home.* Nazi educational philosophy is well expressed in the institution of the land year, established in March 1934 in Prussia, whereby qualified Aryan students who left school after the eighth year, the period of compulsory education, were to spend eight months in the country combining a program of practical work with physical exercise, recreation, and study. It was intended particularly for children from the crowded industrial areas who might never have an opportunity otherwise to enjoy the invigorating contact with the soil and with peasant and rural surroundings. Such a life was to link city with country, develop a taste for healthful rural living, and train for community life and responsibility. In 1936 there were 31,500 children in 600 camps throughout rural Prussia.

<sup>11</sup>Hans-Joachim von Schumann, *Die national-sozialistische Erziehung im Rahmen amtlicher Bestimmungen* (Langensalza, 1943), pp. 21-24. Bason, *op. cit.*, pp. 53-58.

<sup>12</sup>*Deutsche Wissenschaft, Erziehung und Volksbildung*, Feb. 5, 1938, official organ of the Ministry of Education (Berlin), pp. 48-52.

The country school-home, an institution already common under the Republic but developed by the Nazis, served a similar purpose. School groups migrated to the country, there to live and study together in intimate contact with peasant life and ideas. Instruction was adapted to the region, relating to such matters as landscape, local resources, crafts and industries, type of settlement, racial make-up of population, historical background and destiny of region, and values of regional activities for the National Socialist state. Its goal was "the incorporation of youth into homeland, folk and state through the awakening and directing, in a politically conscious sense, of sound racial powers."<sup>13</sup> School journeys utilizing special school-homes, youth hostels, and historic sites were a common practice and endeavored to connect learning with actual observation and experience, always with an eye to developing pride in the national heritage and a sense of the unity of all German life.

#### *The Teacher Under National Socialism*

As indicated above, the teacher is all-important in the German schools. The Nazis went even further than earlier regimes in stressing the importance of the personal factor in instruction. There must be an end of the "bloodless intellectual", the "stoop-shouldered pedagogue" who could never inspire his young charges. The Nazi schoolmaster must be a rugged outdoor man skilled in sports and military techniques, a statesman well grounded in National Socialist principles and qualified to inculcate them in an effective manner. He must be a stimulating leader, a living exponent of National Socialist ethos. The man is prior to methods; hence capable teachers can be developed only through a regimen of living experience. Says a Nazi educator:

"Youth is anxious to embrace everything that contributes to enthusiasm, devotion, courage, and good-will, and every teacher must of necessity lose his hold on young hearts who thinks he can satisfy them merely by feeding their intellectual appetite. This is the very reason why, for three decades, the young have continuously turned away from school with disinterest and dislike."

Teacher-training under National Socialism was modified to accord with these principles. The curriculum was now to include more "German subjects": Race hygiene, political psychology and pedagogy, *Volkskunde*, prehistory, defense geogra-

phy, the German borderlands, and the "Greater Germany" idea. Teachers from the primary to the university level were to spend some time in a labor camp acquiring a sense of community life and cooperation and an understanding of peasant life and folk values. Secondary teachers, still trained mainly in the universities, must correct any regrettable tendency toward excessive intellectualism by demonstrating their thorough familiarity with the requirements for training youth "in the spirit of National Socialism". The test in philosophy previously required in the oral examination was replaced by problems relating to the required subject-matter and to "fundamental political ideological questions". The official regulations of September 1938 for the qualifying of teachers in the continuation schools of Austria required that candidates be examined in the following subjects: Race eugenics, the Nuremberg laws, blood and soil, *Mein Kampf*, the Four Year Plan, army organization, the Labor Front, organic, as opposed to liberal, views of the state, the menace of Bolshevism, folk culture, recent German history, Hitler's achievements, and the greatness of eternal Germany.

The new regime lost little time in "coordinating" the teachers. The Civil Service Law of April 7, 1933 provided for dismissal or exclusion from teaching posts on the following grounds:

1. Inadequate training
2. Political unreliability
3. Non-Aryan descent
4. Need of reorganizing school administration

A personal oath of loyalty to Hitler was required. Large numbers of police records were examined and many teachers were dismissed, although exact figures are unavailable. A considerable percentage of the teachers under the Republic was conservative or reactionary by conviction and no doubt accepted the new regime whole-heartedly. In July 1933 a decree was issued which required that all teachers who were members of the Social Democratic Party, which embraced many primary teachers, sever their connections with that organization. Communists, of course, were promptly dismissed. Teachers' councils, which had been established under the Republic, were abolished. All suspected saboteurs on the educational front

<sup>13</sup> *Nationalpolitische Lehrgänge für Schüler (Denkschrift des Oberpräsidenten der Rheinprovinz)* (Frankfurt, 1935), p. 1.

were liquidated, and absolute political conformity was imposed. All self-administering associations of teachers were eliminated and a National Socialist League of Teachers was made the official organization of all educators. This league was mainly political in character, and under the leadership of Hans Schemm it has been concerned chiefly with providing political instruction to its members along lines dictated by National Socialist ideology. Applicants for admission to training institutions are carefully examined regarding their previous record, "Aryanism", labor and military service, and membership and activity in youth or other party organizations. The selective and sifting process insures that none but devotees of National Socialism may find their way into the teaching profession.

#### *Contents, Methods, and Objectives of Instruction*

*German Studies.* German schoolrooms often display European and world maps with the areas inhabited by Germans carefully marked and accompanied by the admonition: "Germans all! Wherever you may be, never forget that you are a German." A child exposed to the Nazi system of instruction is not likely to forget. The emphasis on *Heimatkunde* in the lower schools, already significant under the Republic, was considerably increased by the Nazi authorities. A decree of April 10, 1937 declared that the child must "learn to know, experience, and love the homeland, and . . . feel himself a rooted member of the German people". To this end German sagas and folklore, heroic legends, local history and geography, folkways, traditions, and literature were to be studied. School journeys were to inculcate pride in homeland, race, and culture. From the earliest years the child was to think of freedom as attachment to his country and people, as a fulfilment of self in service to race and nation. According to a decree of January 22, 1938 the amount of time to be devoted to German studies in the secondary schools ranged from 35 percent of the total hours in the *Gymnasium* to 44 percent in the girls' upper school. The main objectives of these studies are to inculcate a reverence for the old Germany (*alt Deutschtum*) and to train, discipline, and inspire youth to a defense of their nation, now always depicted as menaced by sinister forces both within

and without. Youth must evolve, or be given, a philosophy which nothing can shake. The technique is to arouse strong feeling rather than to develop understanding.

The Nazi emphasis upon Germanism has been clearly oriented to political objectives. *Heimatkunde* has stressed the urgency of defense, military routes and strategy, and modes of approach to "enemy" countries as well as the superiority of German culture. The schools devoted much attention in their geography classes to the colonial question, hammering home the iniquity of the Versailles Treaty in this particular and Germany's need for colonies. A superior race must be a ruling people; hence a colonial empire was essential. A Colonial Society carried on an active campaign in the schools, collecting funds and disseminating propaganda. The *Verein für das Deutschtum in Ausland* was diligent in cultivating contacts with Germans abroad. A decree of March 8, 1933 declared it the duty of the school to create a feeling of racial solidarity with the 30 million Germans abroad, particularly those in the adjoining areas severed from Germany by treaty. Even the study of foreign peoples and cultures was to serve one purpose only—the attainment of a clearer understanding and appreciation of German culture and achievements. Germanism was the invariable criterion for a critical approach to all things alien. Prussian students might not travel abroad before they had learned to know their own land from personal observation. "The ultimate goal of such travel must be that the student arrive at a heightened national consciousness and a deeper understanding of his own *Volkstum*."

*The Teaching of History.* The use or abuse of subject-matter for political ends is most obvious in the teaching of history. Nazi educators agree with the Fascist Brodrero (cited in Hartshorne, *German Universities*, p. 116): "History is effective as myth and not as truth. It is not the truth of the historical fact which is of significance, but the effect which follows from it." Karl F. Sturm frankly admits: "We take sides in teaching history. And our side is Germany. Far be it from us to taint the hearts of our children with the curse of objectivity. We educate our young to recognize exclusively the rights of our own nationality."<sup>14</sup> Walter Franck, president of the *Reichsinstitut für die Geschichte des neuen Deutschlands* (established in 1935) asserts: "History is a fighting science and

<sup>14</sup> W. M. Kotschnig, "The Learned Class in Germany Today", *World Education*, Jan. 1940, p. 66.

as such it cannot be objective." It rests upon value judgments and can never be the outcome of "mere scholarship". Rust declares for objectivity "correctly interpreted". History must be functional and dynamic, a mold of men, the "central, unified, patriotic and political experience" of the race. Its purpose is to demonstrate the direction, mission, and destiny of a people, not to offer a compendium of irrelevant facts. Nazism has thus broken completely with the Von Ranke tradition of history "as it actually happened". This is now supplanted by Hitler's dictum: "One learns history not in order to know about what has happened but in order to possess a key to the future and to the progress of one's own people."<sup>15</sup>

According to official decrees and directives history is now presented in the German schools to achieve the following specific objectives:<sup>16</sup>

- To exalt the heroic achievements of the German past
- To produce inner conviction and loyalty to "folkish" ideals
- To stress the supreme importance of the racial factor in history and to exalt the Germans as the "primal people" (*Urvolk*) of Europe
- To portray German culture as antithetical to Latin-Christian culture
- To stress the sinister and corrupting influences of alien forces upon Germany at all times
- To inculcate respect for the leader principle through exaltation of German heroes, such as Frederick the Great
- To present the history of other peoples only in its bearing upon German history
- To glorify German conquest of the *Ostland* in the Middle Ages and depict Germans always as bearers of civilization
- To show war as a creative and necessary process in the making of nations and in the triumph of superior cultures
- To show Germany as struggling for existence in a hostile world and to contrast her "heroic world viewpoint" with the materialism or barbarism of other peoples
- To emphasize the reasons for Germany's defeat and humiliation, 1918-33, and her revival under National Socialist leadership

To show at all times the salutary (*völkisch*) forces shaping German destiny and the corrupting, alien influences at work to thwart its fulfilment

A survey of courses and textbooks in use in the German schools is enlightening. Topics generally emphasized are the creative role of the Nordic race, Luther as a German national hero, anti-Semitism in history, the career of Frederick the Great, the "dictate of Versailles" and the "war-guilt lie", the weakness and humiliation of the Weimar Republic, the Ruhr invasion and Germany's resistance, the Hitler movement, Germany's need for living-space, the menace of Communism, and Germany's national ideals and destiny. The central theme and thesis of history instruction is about as follows:

Germany is a nation in process of becoming. In spite of racial superiority and heroic leadership she has incessantly been attacked, encircled, or corrupted by lesser breeds. Her history is a tragedy of frustration and incomplete achievement. Yet Germany and Germany alone possesses the genius for order and creative achievement that can end Europe's long tale of futile and fratricidal wars. She alone can become the "*europäische Ordnungsmacht*". The Hitler movement is her final struggle for liberation and self-fulfilment—its triumph will mean the liberation of Europe and its unification under the aegis of the one race predestined by history and fate to achieve the task.

*Books and Literature.* The reading of German children is carefully controlled and directed to political ends. Of a list of preferred children's books for use in the schools, published in the official school journal, some 40 percent related to military or racial topics. Representative titles of recommended books for the year 1938 include:

- German Defense
- School and *Weltanschauung*
- On the Way to World Power
- German Blood in German Space

<sup>15</sup> John B. Mason, "Nazi Concepts of History", *The Review of Politics*, April 1940, pp. 180-96.

<sup>16</sup> Adolf Viernow, *Zur Theorie und Praxis des national-sozialistischen Geschichtsunterrichts* (Halle, 1935), pp. 5-41. C. A. Beard, "Education under the Nazis", *Foreign Affairs*, April 1936, p. 447.

Fly, German Youth!  
 German Colonial Pioneers in Africa  
 What German Youth Must Know About  
     Racial Inheritance  
 Race, Folk and Soldierliness  
 Race and History  
 Soldiers of Tomorrow  
 German Tanks, Attack!  
 Heroism and Belief in Destiny  
 Versailles and St. Germain—World Peace  
     *Against the German People*  
 Atlas of German Living Space in Central  
     Europe  
 Nnremberg—the Spirit of Old Germany  
 Carl Schurz: German and American  
 Nordic Beauty in Art and Life  
 Folk in Fire  
 Nation in Need  
 Folk Science on German Principles  
 Comradeship, Battle and Death  
 The Heroic Form in German Art  
 Stories of Front Fighters

The minds of young Germans are nourished almost exclusively on reading dealing with the following themes: Old German myths and folklore, tales of adventure and heroism, wars and battles, rural and peasant life, racial science and anti-Semitism, travel, geography, politics, soldiers' experiences, and the lives of German warriors and statesmen.

The teaching of literature at the higher school levels is designed to strengthen political conviction. Goethe's *Goetz von Berlichingen* is presented to exemplify the fighter-for-freedom of the Reich, but attention is not called to the great poet's cosmopolitan ideals. Schiller's *Wallenstein* portrays the strong politically minded fighter, and *Wilhelm Tell* the awakening of *Volkstum* against alien oppression, but Schiller's concept of freedom is not generalized. War literature is abundantly used to illustrate German heroism as well as the causes of collapse. Front-line experiences are idealized as furnishing the inspiration for Germany's political and moral reawakening. An eighth-grade reader, *Das Ewige Deutschland*, by F. Hackenberg and B. Schwarz,

may be described as typical. The first part contains excerpts from Klopstock, Kant, Schiller, Goethe, and others, each with a special application to present events; the second part includes patriotic extracts from Hölderlin, Fichte, Clausewitz, and others, glorifying German traits and deeds (Fichte is depicted as rallying the German people in the War of Liberation by arousing them to a true sense of their racial origins and worth). Albrecht Dürer is presented as "our venerable ancestor": Nietzsche is quoted on "German manliness". The final portion applies historical ideas to the present era of the Reich, justifying hatred of the Jews, showing Germany to be the land of loyalty and truth, and praising Hitler as the leader predestined to fulfil Germany's historic mission.

*Mathematics and Science.* Even the more objective and abstract subjects have been mobilized in the Nazi crusade for the minds of the young. Scientific instruction, argues a Nazi educator, can no longer be a "poorly concealed materialism"; as now offered it "opens the way to life's highest values, to faith in the soul, the free will and divine powers". No recondite or disconnected matter unrelated to the German spirit need be presented. After all, Nature herself is an organic community through the study of which the child derives insight into his own *Volksgemeinschaft* in its natural and cosmic setting.<sup>17</sup>

An "Aryan" mathematics was developed which was calculated to safeguard the youthful German from the distorted concepts introduced by such "non-Aryans" as Einstein. Geometry was preferred to algebra as offering a concept of nature based on "spatial intuition" rather than a confused juggling with numbers. Arithmetical exercises which dealt with "German" problems, ranging from declining birthrates to the acceleration of falling bombs, were formulated. Among the titles of new educational works in this field were *The German People's Fate in Figures, Examples of Calculation in a New Spirit, Mathematics Teaching in Relation to the Fall and Rise of Germany, and Mathematics in the Service of National Socialist Education*. Mathematics was not a mere "tool of learning" but a means to an understanding of that "ordering and arranging power" which Hitler had brought into German life. It had been misused and corrupted by liberalism and capitalism; it was now to function in behalf of a renewed Reich in characteristically German fashion.

<sup>17</sup> Wilhelm Hartnacke, *Der Neubau des deutschen Schulwesens* (Leipzig, 1933), pp. 17-18. Claus Tietjen, *Lehrplan im Aufbau der deutschen Schule* (Leipzig, 1934), p. 24.

The distortion of the various sciences to suit Nazi purposes is well known. Biology became race science. Sociology was the "study of the folk community". Physics and chemistry merely added the prefix "*Wchr*" and made their contributions to aviation, ballistics, and chemical warfare. A considerable percentage of the articles in German educational journals between 1935 and 1940 deals with the applications of the sciences to warfare.<sup>18</sup> So important was the new study of race "science" considered that by decrees of September 13, 1933 and January 15, 1935 it was made compulsory in the fifth year of the *Volkschule* and in the lower years of the secondary and middle schools. A more thorough study was to follow in the upper years in order to achieve a "full appreciation of the necessity and spirit of blood purity". Examinations in this field were to be required for the issuance of the certificate of maturity by any school and for all teaching credentials.

*Education for War.* The official journal of the German League of Teachers (*Der Deutsche Erzieher*, 1938, No. 2) declared: "Every German child should know that the future war will not be waged merely by front-line combatants but also by all the people—men, women, old folks and children. . . . The idea of war should be inculcated in every child." The necessity of education for war is reflected in virtually every educational periodical, every pedagogical work, and every textbook of the period. In an issue of the Hitler Youth organ, *Wille und Macht*, April–May, 1941, the goal for German youth—heroic courage and soldierly bearing (*soldatische Haltung*)—was elaborated in great detail through excerpts from Hitler's speeches. Years before the outbreak of war the theory of Ewald Banse, Germany's foremost exponent of total national mobilization for war, had been fully embodied in the Reich's educational program. Banse advocated teaching that would not hand out mere "lumps of knowledge" but would "pour steel into the nerves of the German people". Such a program was too vast to be achieved by the schools alone but had to enlist the cooperation of schools, youth organizations, labor service, the army itself as a "university of patriotic education", and all instrumentalities of propaganda. The German people were to be made war-conscious—defense-mindedness (*Wehrgedanke*) must be thoroughly inculcated.

The role of the school in achieving these ends was not to offer actual military training but to become a preparatory school for the army and for the war to come.<sup>19</sup> The curriculum, as indicated above, was thoroughly militarized. Instruction emphasized physical fitness, the training of character, will, courage, endurance, political consciousness, and a knowledge of military techniques. Aviation was particularly stressed—it was officially stated to be the duty of the schools to further it as a "condition of life for the German people".<sup>20</sup> Germany's "regrettable past" and her mistakes, humiliations, and sufferings of the first World War were to be harped upon. All studies were to be "politicalized" to develop a clear consciousness of Germany's needs and objectives. The soldier was to be glorified as the "embodiment of purest manhood", military service as the highest honor. The ideal of pacifism (*nie wieder Krieg*) was to be relentlessly attacked. History must present the "becoming" of the nation through struggle and glorify military heroes and virtues. Political training must instill a passionate awareness of national objectives. Foreign languages and cultures must demonstrate the superiority of *Kultur* and the dangers of *Überfremdung*. Geography became the science of *Geopolitik*, a justification for German expansion. Science must justify its place in the curriculum by its contributions to total war preparedness. A "political-military elite" must be trained to become the bearers of state power, the active, disciplined, soldierly nucleus of the embattled *Volk*. Nazi education in all its aspects, in school and out, was essentially a play on emotions and attitudes, a *Begeisterung*; its central drive was the spiritual preparation of the people for war.

*Religion.* The anti-Christian tendency of Nazism has not been so influential in education as often supposed. There is no evidence that "Nordic religion" has superseded Christianity in the schools; instruction in both Catholic and Evangeli-

<sup>18</sup> This was found to be true of *Deutsche Volkserziehung*, (Frankfurt a.M.), *Nationalsozialistisches Bildungswesen*, (Munich), *Die Erziehung* (Leipzig), and *Monatschrift für Höhere Schulen* (Berlin).

<sup>19</sup> Leo Gruenberg, *Wehrgedanke und Schule* (Leipzig, 1934), pp. 4–11, 39–42.

<sup>20</sup> "Pfleger der Luftfahrt in den Schulen und Hochschulen", *Deutsche Wissenschaft, Erziehung und Volksbildung*, Feb. 5, 1940, p. 85.

cal faiths continues to be given. Yet a number of significant developments indicate clearly the lessening importance of religion as a factor in German education, a situation, it may be noted, common today throughout the Western World.

Religion remains, as in the past, part of the curriculum of the common schools, but the time devoted to it has been reduced in favor of physical education. In secondary schools the number of hours per week has been reduced from 19 to 12. A decree of 1938 assures freedom of conscience and bans the forced indoctrination of pupils by teachers. Sectarian schools are still legal but have been largely closed down by the device of local plebiscites under Nazi auspices, the choice being between a parochial school and a public interdenominational one. Virtually all elementary schools have now become non-denominational. The elementary teachers, even prior to 1933, were largely anti-clerical in sentiment and supported the government's efforts to curtail sectarian influences in the school. Many clerical teachers have been replaced by laymen. School prayers were abolished in 1939. Undoubtedly the hours devoted to religious instruction have frequently been used for the inculcation of National Socialist doctrines. Many teachers have made a sincere effort to reconcile Nazi ideas with Christianity, but it seems that they have achieved only moderate success. Religion has been less effectively coordinated with National Socialism than any other element of German culture.

The crisis in German thought is very real and as yet unresolved. The German mind is inherently mystical and craves a faith. The disillusionment and cynicism of the post-Weimar era created a susceptibility to new spiritual forces. Hitlerism, in the minds of many, is essentially a secular religion. It fills the vacuum left by the collapse of old values. But in spite of the pagan tendencies of the Hitler Youth, especially under its former leader, Baldur von Schirach, and the "German Christian" movement, the vast majority of converts to National Socialism have not renounced traditional Christianity. Although no doubt disturbed by the inherent conflict between the particularism of the German "folkish" concept and the universalism of the Christian ideal, these converts are apparently able to accept both—perhaps an instance of the dualism that so often characterizes German thinking.

#### UNRRA—Continued from page 508

tent of blotting out completely the stake and voice of other nations in this organization.

Between these two extremes of maladjustment, however, an encouraging degree of unanimity has been arrived at among all agencies of this Government concerning the proper procedures for dealing with UNRRA. For example, the arrangements which have been worked out by the national supply agencies for the consideration of import programs for the liberated areas show not only an appreciation of the importance of this work and of the important position of UNRRA in relation thereto but also a serious effort to adjust their procedures to the complex administrative problems involved. The same is true, as has been noted, of the progress of UNRRA's relations with the combined military. Much remains to be done, however, both here and in other member nations, in developing and continuing the necessary support for UNRRA.

#### V

The actual work of UNRRA is only now beginning. It would be foolhardy for anyone to underestimate the complexity and difficulty of its tasks; it would be even more rash to predict the degree to which it will attain success. It would be even more mistaken to assume that the most brilliant success of this venture would be more than a beginning toward a better world.

But we can be equally positive that this is our task and that we are in it, not merely to justify some charitable impulse or an urge to practice up on international cooperation, but because of the intrinsic importance to us, politically and economically, of this work and its most effective administration.

### LEGISLATION

Scientific and Technical Mobilization: Hearings Before a Subcommittee of the Committee on Military Affairs, United States Senate, 78th Cong., 2d sess., pursuant to S. Res. 107, a Resolution Authorizing a Study of the Possibilities of Better Mobilizing the National Resources of the United States. Part 16, Aug. 29 and Sept. 7, 8, 12, and 13, 1944. *Cartel Practices and National Security*. xvi, pp. 1965-2453.

# Consultation on Matters Relating to International Organization

[Released to the press October 26]

The Acting Secretary of State, Edward R. Stettinius, Jr., was host on October 26 to chiefs of missions representing other American republics at an informal meeting at Blair House for an exchange of views regarding provisions of the Dumbarton Oaks proposals and related inter-American arrangements.

The present consultation is being undertaken pursuant to the good-neighbor policy, in accordance with which exchanges of information and views regarding matters of peace and security have long been customary among the American republics. It is intended to provide opportunity for consideration of points raised by various representatives of the American republics from the standpoint of their national and the general interest.

Studies relating to international organization and inter-American arrangements have been in progress in the American republics throughout the war. By enabling American governments through their diplomatic representatives to become fully acquainted with each other's attitudes toward such fundamental questions, each government will be better able to formulate, in its individual sovereign capacity, its policy toward these vital matters of common interest.

## AVIATION—Continued from page 500

### *Chief of the Interpreting and Translating Bureau*

Guillermo A. Suro, Acting Chief, Central Translating Division, Department of State

### *Assistant Chief of the Interpreting and Translating Bureau*

Jean Pierre de Loeschmigg, Office of War Information

### *Director of Air and Courier Services*

Maj. John R. Young, War Department Liaison Officer; Chief, Air Priorities Section, Division of Foreign Service Administration, Department of State

### *Security Officer*

Maj. John E. Johnson, Director, Security and Intelligence Division, Fort Custer, Michigan

### *Secretary for Transportation and Special Services*

Daniel H. Clare, Jr., Department of State

### *Assistant Secretary for Transportation and Special Services*

Albert Fletcher, Department of State

### *Finance and Disbursing Officer*

William J. Heneghan, Division of Budget and Finance, Department of State

### *Personnel Relations Officer*

Virginia Brittingham, Division of Departmental Personnel, Department of State

### *Editor of the Journal*

Frances Armbruster, Division of Research and Publication, Department of State

### *Archivist*

Ruth K. Wailes, Division of International Conferences, Department of State

## THE DEPARTMENT

### Appointment of Officers

Louis Silverfield as agent of the Department of State for the purpose of taking applications for passports and administering oaths in connection therewith in the area of San Francisco, California, effective October 19, 1944.

Louis G. Owens as agent of the Department of State for the purpose of taking applications for passports and administering oaths in connection therewith at the Department of State, effective October 26, 1944.

George V. Allen as Executive Officer of the Office of Near Eastern and African Affairs in concurrence with his duties as Chief of the Division of Middle Eastern Affairs, effective October 16, 1944.

## PUBLICATIONS

### DEPARTMENT OF STATE

Purchase of Dominican Food Surpluses: Agreement between the United States of America and the Dominican Republic approving memorandum of understanding dated November 1, 1943—Effectuated by exchange of notes signed at Ciudad Trujillo December 17, 1943 and February 11, 1944. Executive Agreement Series 404. Publication 2188. 21 pp. 10¢.

Military Service: Agreement between the United States of America and Colombia and related note of February 12, 1944—Effectuated by exchange of notes signed at Washington January 27, 1944; effective January 27, 1944. Executive Agreement Series 407. Publication 2195. 7 pp. 5¢.

Regulations for the International Radioelectric Service of Air Navigation, May 1938. [Reproduction of Volume I (General Regulations) Published by International Commission for Air Navigation.] Publication 2200. 31 pp. 15¢.

## TREATY INFORMATION

### Protocol Prolonging International Sugar Agreement

The American Embassy at London transmitted to the Department, with a despatch of October 14, 1944, certified copies of a protocol, dated at London on August 31, 1944, to prolong for one year after August 31, 1944 the International Agreement Regarding the Regulation of Production and Marketing of Sugar, signed at London on May 6, 1937,<sup>1</sup> as enforced and prolonged by a protocol dated at London on July 22, 1942.<sup>2</sup> The protocol of August 31, 1944 was signed on behalf of the United States of America (with a reservation "Subject to ratification"), the Commonwealth of the Philippines, Australia, Belgium, Brazil, Cuba, Czechoslovakia, Dominican Republic, Haiti, Netherlands, Peru, Poland, Portugal, the Union of South Africa, the Union of Soviet Socialist Republics, and the United Kingdom of Great Britain and Northern Ireland.

### Rubber Agreement With Venezuela

The American Embassy at Caracas transmitted to the Department, with a despatch of September 28, 1944, the text of an agreement effected by an exchange of notes dated September 27, 1944 between the Government of the United States and the Government of Venezuela, amending the rubber agreement between the United States and Venezuela signed October 13, 1942.<sup>3</sup>

<sup>1</sup> Trenwith, *Treaties, Conventions, International Acts, Protocols, and Agreements Between the United States of America and Other Powers, 1923-1937*, vol. IV, p. 5599; *Treaty Information Bulletin* 92, May 1937, p. 19.

<sup>2</sup> BULLETIN of Aug. 1, 1942, p. 678.

<sup>3</sup> BULLETIN of Oct. 17, 1942, p. 838.

### Monetary Agreement, United Kingdom and Belgium

The American Embassy at London transmitted to the Department, with a despatch of October 10, 1944, the text of a monetary agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Belgium, signed at London on October 5, 1944 (Belgium No. 1 (1944), Cmd. 6557).

Article 8 provides in part as follows:

"If during the currency of this Agreement the Contracting Governments adhere to a general international monetary agreement, they will review the terms of the present Agreement with a view to making any amendments that may be required."

Article 12 provides that the agreement shall come into force on the day of its signature and that it may be terminated by notice of either contracting government to the other, the agreement ceasing to have effect three months after the date of such notice. The agreement "shall terminate three years after the date of its coming into force, unless the Contracting Governments agree otherwise".

The agreement of October 5, 1944 abrogates the Anglo-Belgian financial agreements of June 7, 1940 and of January 21, 1941.

### Commercial "Modus Vivendi", Venezuela and Spain

The American Embassy at Caracas transmitted to the Department, with a despatch of October 3, 1944, a copy of an exchange of notes signed at Caracas on September 18, 1944 effecting a further renewal for one year from September 18, 1944 of the commercial *modus vivendi* between Venezuela and Spain concluded on September 17, 1942. The notes of September 18, 1944 are published in the Venezuelan *Gaceta Oficial* No. 21,514 of September 19, 1944.





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# THE DEPARTMENT OF STATE BULLETIN

VOL. XI, NO. 230

NOVEMBER 5, 1944

## *In this issue*

INTERNATIONAL CIVIL AVIATION CONFERENCE AT CHICAGO:

*Message of President Roosevelt and Addresses by Assistant Secretary Berle*

CONFERENCE AT BRETTON WOODS PREPARES PLANS FOR

INTERNATIONAL FINANCE: *Article by John Parke Young* ☆ ☆

EDUCATION IN GERMANY UNDER THE NATIONAL SOCIALIST

REGIME: HIGHER LEARNING AND EXTRACURRICULAR

EDUCATION. *Article by Leon W. Fuller* ☆ ☆ ☆ ☆ ☆



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November 5, 1944

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Research and Publication, Office of Public Information, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.*

*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

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# International Civil Aviation Conference

## First Plenary Session

### PRESIDENT ROOSEVELT'S MESSAGE TO THE DELEGATES<sup>1</sup>

On behalf of the United States, I offer a hearty welcome to the delegations of the 51 nations represented at this International Conference on Civil Aviation. You were called to undertake a task of the highest importance. I am very sure that you will succeed.

The progress of the armies, navies, and air forces of the United Nations has already opened great areas to peaceful intercourse which had been closed for more than four black years. We can soberly hope that all Europe will be reclaimed for civilization before many months have passed.

Steadily the great areas of the Pacific are likewise being freed from Japanese occupation. In due time, the Continent of Asia will be opened again to the friendly intercourse of the world.

The rebuilding of peace means reopening the lines of communication and peaceful relationship. Air transport will be the first available means by which we can start to heal the wounds of war and put the world once more on a peacetime basis.

You will recall that after the first World War a conference was held and a convention adopted designed to open Europe to air traffic; but under the arrangements then made years of discussion were needed before air routes could actually be flown. At that time, however, air commerce was in its infancy. Now it has reached maturity and is a pressing necessity.

I do not believe that the world of today can afford to wait several years for its air communications. There is no reason why it should.

Increasingly, the airplanes will be in existence. When either the German or the Japanese enemy is defeated, transport planes should be available for release from military work in numbers sufficient to make a beginning. When both enemies have been defeated, they should be available in quantity.

Every country has airports and trained pilots; and practically every country knows how to organize airlines.

It would be a reflection on the common sense of nations if they were not able to make arrangements, at least on a provisional basis, making possible the opening of the much-needed air routes. I hope, when your Conference adjourns, that these arrangements will have been made. Then, all that will be needed will be to start using the air as a great, peaceful medium, instead of a battle area.

You are fortunate in having before you one of the great lessons of history. Some centuries ago, an attempt was made to build great empires based on domination of great sea areas. The lords of these areas tried to close these seas to some and to offer access to others, and thereby to enrich themselves and extend their power. This led directly to a number of wars both in the Eastern and the Western Hemispheres. We do not need to make that mistake again. I hope you will not dally with the thought of creating great blocs of closed air, thereby tracing in the sky the conditions of possible future wars. I know you will see to it that the air which God gave to everyone shall not become the means of domination over anyone.

As we begin to write a new chapter in the fundamental law of the air, let us all remember that we are engaged in a great attempt to build enduring institutions of peace. These peace settlements cannot be endangered by petty considerations, or weakened by groundless fears. Rather, with full recognition of the sovereignty and juridical equality of all nations, let us work together so that the air may be used by humanity, to serve humanity.

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<sup>1</sup> Read by Assistant Secretary Berle to the delegates at Chicago on Nov. 1, 1944.

ADDRESS BY ASSISTANT SECRETARY BERLE<sup>1</sup>

[Released to the press by the Conference November 1]

The International Conference on Civil Aviation is declared open.

In the name of the United States, let me extend a cordial welcome to the delegations from the 51 countries who are assembled here today.

We are met in a high resolve that ways and means may be found, and rules may be evolved, which shall permit the healing processes of peace to begin their work as rapidly as the interruptions resulting from aggressive war can be cleared away.

Few of our countries have escaped grief and agony, and many are sore with honorable wounds in a common struggle. All of us know that the pain can be alleviated and the wounds healed only by common action in reestablishing peaceful life.

There are many tasks which our countries have to do together. In none have they a clearer and plainer common interest than in the work of making the air serviceable to mankind. God gave the air to everyone; every nation in the world has access to it. To each nation there is now available a means of friendly intercourse with all the world, provided a working basis for that intercourse can be found and maintained.

It is our task to find this working basis and thereby to open the highways of friendship, of commerce, and of thought.

The United States counts it a high privilege to be host to a conference called for that purpose.

The world has learned to take seriously the scientific developments which enlarge the scope of national and international life. The lesson has been long in the learning. At the close of the Napoleonic wars, there was convened the Congress of Vienna, famous in diplomatic history. But while it met, men then obscure were working in shops to develop the use of steam. Today, more than a century later, who will say that Watt in Scotland, Trevithick in England, Woolf in Cornwall, Fulton in the United States, Cugnot in France, and their later followers, did not do more to change the face of the world with their steamships and railroads than did all the diplomats and ministers at Vienna in 1815?

Even as late as 1919 it was the opinion of the powers assembled at Paris—the United States among them—that aerial navigation was not a subject pertaining to the peace conference.

This time we shall not make that mistake.

The air has been used as an instrument of aggression. It is now being made a highway of liberation. It is our opportunity to make it hereafter a servant of peoples.

In bidding you welcome, let our labors be lighted by vision, and made fruitful by insight.

## Second Plenary Session

ADDRESS BY ASSISTANT SECRETARY BERLE<sup>2</sup>

[Released to the press by the Conference November 2]

On behalf of the American Delegation, I set forth the position of the Government of the United States.

### I

The use of the air has this in common with the use of the sea: it is a highway given by nature to all men. It differs in this from the sea: that it is subject to the sovereignty of the nations over which it moves. Nations ought, therefore, to arrange among themselves for its use in that manner which

will be of the greatest benefit to all humanity, wherever situated.

The United States believes in and asserts the rule that each country has a right to maintain sovereignty of the air which is over its lands and its territorial waters. There can be no question of alienating or qualifying this sovereignty.

Consistent with sovereignty, nations ought to subscribe to those rules of friendly intercourse which shall operate between friendly states in time of peace to the end that air navigation shall be encouraged, and that communication and commerce may be fostered between all peaceful states.

It is the position of the United States that this obligation rests upon nations because nations have a natural right to communicate and trade with each

<sup>1</sup> Delivered at Chicago on Nov. 1, 1944. Mr. Berle is chairman of the American Delegation and temporary president of the Conference.

<sup>2</sup> Delivered Nov. 2, 1944.

other in times of peace; and friendly nations do not have a right to burden or prevent this intercourse by discriminatory measures.

In this respect, there is a similarity between intercourse by air and intercourse by sea; for, as is well known, intercourse by sea between friendly nations in times of peace often requires the passage of ships through the waters of other countries so that voyages may be directly and safely made.

At sea, the custom of friendly permission for such transit has, after centuries, ripened into the right of innocent passage, but its beginning was in the customary permissions granted by friendly nations to each other.

It is the view of my Government that, in the matter of passage through the air, we are in a stage in which there should be developed established and settled customs of friendly permission as between friendly nations. Indeed, failure to establish such customs would burden many countries and would actually jeopardize the situation of most of the smaller nations of the world, especially those without seacoasts. For, if the custom of friends did not permit friendly communication and commerce and intercourse through the air, these countries could at any time, or at all times, be subjected, even in peace, to an air blockade.

Clearly this privilege of friendly passage accorded by nations can only be availed of or expected by nations which themselves are prepared to accord like privileges and permissions.

It is, therefore, the view of the United States that, without prejudice to full rights of sovereignty, we should work upon the basis of the exchange of needed privileges and permissions which friendly nations have a right to expect from each other.

## II

No greater tragedy could befall the world than to repeat in the air the grim and bloody history which tormented the world some centuries ago when the denial of equal opportunity for intercourse made the sea a battleground instead of a highway.

You will recall that for a time nations forgot the famous Roman observation that the law was lord of the sea, and endeavored to establish great closed zones, from which they attempted to exclude all intercourse except through their own ships, or to place any other nation permitted to enter these zones at a discriminatory disadvantage. At various times there were included in these zones

a great part of the north Atlantic and the North Sea; the waters lying between North and South America which today we call the Caribbean and the Gulf of Mexico, together with much of the middle Atlantic; the Mediterranean; and great parts of the western Pacific and the waters surrounding the East Indies. These zones became fertile breeding grounds for commercial monopolies, which sought to levy tribute on the commerce of the world or to exclude or discriminate against the trade of other nations. Political complications followed which set neighbor against neighbor and friend against friend. War after war resulted from the attempts of bold pioneers, supported by extreme nationalist policy, to claim and exercise these special privileges. One result of one such controversy was the emergence of a young Dutch lawyer, by name Hugo Grotius, who, in a controversy over a Dutch ship, undertook to argue the case for the right of friendly intercourse, in a book addressed to the free and independent peoples of Christendom, and thereby began the long march of history toward the law of freedom of the sea in time of peace.

It is true that there are differences between closed zones upon the sea and closed zones in the air, arising from sovereign rights of nations affecting the air above them which they do not have in the open sea. Yet the dangers from closed air, where it lies across established or logical routes of commerce, are not dissimilar from the dangers which arose through the closing of the sea lanes. Indeed the base from which Grotius argued was not different from the base of our contention today, namely, that friendly nations in time of peace have the right to have intercourse each with the other, and, in friendliness, should make this intercourse possible to others.

Perhaps no greater misfortune could befall the world than to set up a scheme of things by which new, shadowy barriers are traced in the air, marking out for the future huge invisible frontiers, certain to become high future battlelines.

The United States accordingly will propose that there shall be an exchange of the needed privileges of intercourse between friendly nations, and that, in such exchanges, no exclusion or discrimination shall exist.

## III

The privilege of communication by air with friendly countries, in the view of this Government,

is not a right to wander at will throughout the world. In this respect traffic by air differs materially from traffic by sea, where commerce need have no direct connection with the country from which the ship may come. In air commerce, there appears at present to be little place for tramp trade.

In point of fact, the great air routes are not as yet sources of profit to the carriers, or indeed to nations fostering them, but rather have been developed at large expense by subsidies and other assistance. It would seem neither equitable nor just that routes so developed should be claimed by other countries not for the purpose of maintaining their own communications but merely for the purpose of speculating in the possible profits of a commerce worked up by others among themselves. In this respect the air routes of the world are more like railroad lines than like free shipping; and, indeed, the right of air intercourse is primarily a right to connect the country in which the line starts with other countries, from which, to which, or through which there flows a normal stream of traffic to and from the country which establishes the line.

These problems may well be left for later conferences. It is probably best not to try to see too far into the unknowable future. The business we have in hand now is the business of establishing the means by which communications can be established between each country and another, by reasonably direct economic routes, with reasonably convenient landing points connecting the chief basins of traffic. So far as this country is concerned, the United States has made public the routes which it will endeavor to obtain by the friendly exchange of permissions of transit and landing between it and the countries concerned. It is prepared to discuss like permissions with other countries seeking intercourse with the United States, and it hopes that similar agreements may be worked out between the other countries here present to take care of their own needs for communication.

In respect of establishment of routes which do not affect the United States, this Government disclaims any desire to intervene; and it does not believe that countries not interested in the routes sought by the United States will wish to intervene.

Rather, by common counsel, we should work out the general form of the friendly permissions here

to be exchanged on a provisional basis and then avail ourselves of the opportunity here presented to bring together all the countries interested in any route which may be proposed at this time for the purpose of reaching, now, the relevant arrangements.

As the United States conceives it, this will be the work of the Committee on Provisional Routes. If its work is well done, I hope that we shall be able at the close of the Conference to report a great number of agreements between the interested countries, which, taken together, shall thus establish a provisional-route pattern capable of serving the immediate needs of the world and ready to be put in effect where and when the military interruptions of war shall have ceased.

Thus handled, no existing route or rights will be prejudiced or need come into discussion. The desire of any nation to obtain routes in the future, which it may not presently be able to use, will not be foreclosed. The pressing necessities of the situation will be taken care of, and the customs and practices will have ample room in which to grow as experience makes us wiser.

#### IV

There is, in the view of the United States, a basis for attempting now, in addition to the route agreements proposed, an air-navigation agreement which shall modernize and make effective the rules of aerial navigation.

This task was attempted in Paris in 1910 without success, was carried forward with more success by the drafting of the Paris Convention of 1919.<sup>1</sup> Another effort was made in the Habana Convention of 1928,<sup>2</sup> and there were other agreements, among which must be cited the Warsaw Convention.

Yet the fierce developments compelled by five years of war have vastly changed and advanced the art of aviation, and at the same time have vastly increased the division between military aviation and civil air transport. According to experts, it is not possible to convert a peaceful transport plane into an effective instrument of war despite wide-spread popular misconception to the contrary; and it is very nearly impossible to convert a warplane into an economically available instrument of commerce. Twenty-five years of ex-

<sup>1</sup> Department of State publication 2143.

<sup>2</sup> Treaty Series 840.

perience since the Paris Convention have taught us many things about the needs of travel and commerce by air. It is the hope that we shall here be able to agree upon a draft of an air-navigation convention.

The customs affecting friendly intercourse in the air between nations, giving effect to the natural right of communication, have been far developed. So far as possible, it is hoped that they can be embodied in a document which will set out in these respects the fundamental law of the air.

Should this prove impossible, the Government of the United States believes that in any case we shall be able to agree upon a number of guiding principles which may serve, at least in part, as terms of reference and instructions for an interim drafting committee which can complete the work, should we be unable to finish it here, and submit the result for ratification by all nations.

This task is a challenge to a noble piece of work. To the extent that intercourse by air can be brought within accepted rules of orderly development, we shall have removed great areas of controversy from future generations. If we are successful, we shall have rendered a real service to mankind.

## V

Intimately connected with the problem of routes and that of rules of the air is the problem of international organization, designed to make more effective that friendly cooperation which is essential if airplanes are not to be locked within their national borders.

The preparatory conversations for this Conference have revealed two schools of thought on this subject, both of which are entitled to be examined with respect.

All agree that an effective form of world organization for air purposes is necessary. This does not exclude regional organizations having primary interest in the problems of their particular areas; but no regional organization or group of regional organizations can effectively deal with the new problems resulting from interoceanic and intercontinental flying. This development, tentatively begun before the outbreak of the present World War, has now achieved a vast development, so that planes span oceans and continents on regular schedule with less difficulty than was involved in crossing the English Channel a few years ago.

The problems resulting from this development fall roughly into two great categories: The commercial and economic problems occasioned by competition between different transit lines and streams of commerce, private or governmental; and the technical problems involved in establishing a system of air routes so handled and so standardized that planes may safely fly from any point in the world to any other point in the world under reasonably uniform standards of practice and regulation. Of this last, a separate word will be said later.

But while there is general agreement on the need of organization, there is difference as to the extent of powers to be accorded a world authority or commission such as has been forecast.

It is generally agreed that, in the purely technical field, a considerable measure of power can be exercised by, and indeed must be granted to, a world body. In these matters, there are few international controversies which are not susceptible of ready solution through the counsel of experts. For example, it is essential that the signal arrangements and landing practice at the Chicago airport for an intercontinental plane shall be so similar to the landing practice at Croydon or Le Bourget or Prague or Cairo or Chungking that a plane arriving at any of these points, whatever its country of origin, will be able to recognize established and uniform signals and to proceed securely according to settled practice.

A number of other technical fields can thus be covered, and, happily, here we are in a field in which science and technical practice provide common ground for everyone.

Some brave spirits have proposed that like powers be granted to an international body in the economic and commercial fields as well. One cannot but respect the boldness of this conception and the brilliance and sincerity with which it has been urged. But—and this, to the Government of the United States, is the cardinal difficulty—there has not as yet been seriously proposed, let alone generally accepted, any set of rules or principles of law by which these powers would be guided. Thus it is proposed that an international body should allocate routes and divide traffic, but a great silence prevails when it is asked on what basis shall routes be allocated or traffic divided, or even, what is "equitable" in these matters. Shall an international body be authorized

The press release of October 30 listing the members of the Secretariat for the International Civil Aviation Conference at Chicago was printed in the BULLETIN of October 29, 1944, page 499.

to say, "We do not like Lusitania at present; therefore we deny her carriers routes; we favor for the moment the aspirations of Shangri-la; therefore we give her license to fly"? Shall it be empowered to say, "We wish to preserve a Scythian route from competition, and accordingly divide traffic so that Numidia shall have little or none"? Shall the first flying line in the field be protected against newcomers, or shall there be a policy of fostering newcomers to the end that aviation may be encouraged? Shall the members of such a board represent their national interest, or shall they be denationalized, uncontrolled arbiters? On the political side, can any nation delegate at this time, in the absence of such established law, the power to any international group to say, "You are entitled to access to the air; but we deny it to your neighbor"? Under these circumstances, imprecise formulae mean in reality arbitrary power, or petty deals to exclude competitors where one can and to divide traffic and profits where one must.

For this reason, the opposite school of thought, which is shared by the United States, believes that international organization at this time in economic and political fields must be primarily consultative, fact-gathering, and fact-finding, with power to bring together the interested states when friction develops; with power to suggest to the countries possible measures as problems existing and unforeseen come up; and designed to set up a system of periodic conferences which may lay out and agree upon and continuously develop the necessary rules as experience and prudence shall indicate their possibility and gathering custom shall make them feasible.

After a reasonable period of experience, and the development of ever-growing areas of agreement through processes of consultation and mutual agreement, we may then reexamine the possibilities of entrusting such an organization with such added powers as experience may have shown wise, and as prudence and well-being may dictate.

No one in the English-speaking world is unfamiliar with the real and poignant hopes which lie behind the position of our friends from New Zealand and from Canada, who have been most active in propounding the doctrine of an organization with power as a solution. Most of us are familiar with the hopes expressed by the great, imaginative English writer, Mr. H. G. Wells, that an aerial-transport board might come to regulate the airways of the world untrammelled by these blundering things called government, and thereby minimize the danger of struggles like that through which we are now passing. All of us have read the brief, disguised as a piece of brilliant fiction, by Mr. Rudyard Kipling called *With the Night Mail* in which, under cover of a description of an airship crossing the Atlantic in a heavy storm, he developed his theory of an aerial-transport authority, regulating the affairs of the world. Many of us are not too old to remember that it was Alfred Lord Tennyson who connected the hope of a lasting world federation for peace with the coming of air commerce, in passionate lines showing the wonders of the world yet to come which he never saw but part of which have proved marvelously and terribly true:

Saw the heavens fill with commerce, argosies of magic  
sails,  
Pilots of the purple twilight, dropping down with  
eastly bales;  
Heard the heavens fill with shouting, and there rain'd  
a ghastly dew  
From the nations' airy navies grappling in the central  
blue. . . .  
Till the war drum throbb'd no longer and the battle  
flags were furled  
In the Parliament of Man, the Federation of the  
world.

I would not willingly close any door to the ultimate realization of that splendid dream, and I believe that, painfully and point by point, we are perhaps beginning to approach an era in which it may be realized. But it would be neither statesmanship nor practical to pretend that that situation has presently arrived. It would be unworthy not to go as far, at present, as we can. But the process must be one of evolution, for world peace must be world law and not world dictatorship. You solve no problem of peace merely by delegation of naked power.

For that reason, the United States will support an international organization in the realm of air commerce having power in technical matters and

having consultative functions in economic matters and the political questions which may be directly connected with them under a plan by which continuing and collected experience, widening custom, and the growing maturity of its counsel may establish such added base as circumstances may warrant for the future consideration of enlarging the functions of the consultative group.

## VI

Certain specific matters remain to be dealt with. It is the view of the United States that each country should, so far as possible, come to control and direct its own internal air lines. In the long view, no country will wish to have its essential internal air communications under the domination of any save their own nationals. This, of course, does not exclude arrangements by which assistance can be obtained from other countries in the form of capital, or technical assistance, but suggests recognition of the principle that the people of each country must have the dominant voice in their own transport systems. If air transport is not to become an instrument of attempted domination, recognition of this principle seems to be essential.

For this reason, this country reserves, and believes that every country will insist on the right to reserve to itself, the internal traffic known as cabotage, so that, if it chooses, traffic between points within its borders may be carried by its own national lines. Clearly, the right of reserved cabotage can be exercised by one country only, for if a number of countries were to combine to pool their cabotage as between each other, the result would be merely to exclude nations not parties to the pool; and it is the firm conviction of this Government that discriminatory or exclusive agreements are raw material for future conflict.

Partly as a result of the turn which has been taken by war production, the United States has, at the moment, substantially the only supply of transport planes and of immediate productive facilities to manufacture the newer types of such planes.

The Government of the United States does not consider that this situation is permanent—or, indeed, that it should be permanent. It knows very well that other countries are quite as capable of manufacturing planes as we are; that their engineers are as good, and their science as far-reaching. Far from using this temporary position of monopoly as a means of securing permanent advantage, we feel that it is against our national interest and,

we think, against the interests of the world to try to use this as a means of preventing others from flying.

Consequently, this Government is prepared to make available, on non-discriminatory terms, civil air-transport planes, when they can be released from military work, to those countries which recognize, as do we, the right of friendly intercourse and grant permission for friendly intercourse to others.

This means that no country desiring to enter the air is barred from the air because it may have suffered under the heavy hand of enemy invasion or because we may have played a leading part in the task of manufacturing and developing long-range commercial planes.

A by-product of war has been the development of a great range of aids to navigation and flying which should vastly increase the safety and speed and comfort of air commerce. We are prepared to encourage the exchange of technical information between ourselves and other countries, to the end that the best of the art of aviation may become a part of the general fund of the world's resources.

There has been fear, a fear widely spread in this country, that devices such as subsidies would be used by us or by other nations so that the rates and charges in air commerce might reach such levels as would be designed to drive other planes out of the air. We have no such intent ourselves, and we would oppose any such policy if practiced by others. No country can expect at present to have wide-flung aviation lines without subsidies, as matters now stand; but while a subsidy is legitimate and useful to keep needed planes in the air, it is certainly noxious if designed to knock the planes of others out of the air. For this reason, the United States is prepared to discuss ways and means by which minimum rates can be agreed upon and by which the subsidies which are involved in all transport trade shall be used for the purpose of legitimate air communication but not for the purpose of assisting rate wars or uneconomic competition.

In this way, we believe there can be achieved a rule of equal opportunity from which no nation at this table shall be excluded.

## VII

All of us here assembled are in some sense trustees of the present, and what we do will also influence the future in ways which we can hardly calculate. Science has vouchsafed us a great tool of international relationships, and custom is beginning to

teach us its use. But science leaves human values to men: and this tool may serve or injure, unite or divide, kill or save, as men use it. If we are able, now and later, to bring the experience and the knowledge gained in the laboratory, on the battlefield, and in peaceful flying within the range of sound and effective rules and of gracious practices, excluding none and conceived on a basis of worldwide equality of opportunity, we may open a new and stately chapter in the history of the conquest of the air.

Oppressing none, considering all, establishing law where we can, and taking common counsel where the law has yet to emerge through custom and experience, liberating the wings whose line goes out to the ends of the earth, we shall succeed if our decisions are informed by that honor and vision and common kindness which, now and always, are the great content of wisdom.

## American Delegates to International Wheat Council

[Released to the press November 11]

The President has now approved the designation of the following persons as American delegates to the International Wheat Council:<sup>1</sup>

Carl C. Farrington, Vice President of the Commodity Credit Corporation, Department of Agriculture

Edward G. Cale, Assistant Chief of the Commodities Division, Department of State

Mr. Farrington is an additional delegate to the Council and Mr. Cale has been designated in place of Robert M. Carr, who at the time of his appointment was Assistant Chief of the Division of Commercial Policy and Agreements, Department of State, and who now has a new assignment in the Office of Economic Affairs, Department of State.

## Invitation to the President And the Secretary of State To Visit France

[Released to the press November 5]

The following note, dated November 4, was sent to the Secretary of State by the Minister Plen-

potiary, Delegate of the Provisional Government of the French Republic to the United States. A translation follows:

MR. SECRETARY OF STATE:

I have been requested by Mr. George Bidault, Minister of Foreign Affairs, to inform Your Excellency that the Provisional Government of the French Republic, as an expression of the appreciation of the entire French Nation for the outstanding contribution which the people and armies of the United States have made to the liberation of the capital of France and of the greater part of her territory, would be happy to receive President Roosevelt in liberated Paris.

The Provisional Government would be particularly happy should Your Excellency accompany the President on this visit.

I should be grateful if you would deliver this invitation to the President of the United States.

I hold myself at your complete disposal for the purpose of transmitting to my Government President Roosevelt's reply and of informing it, in the event that this reply, as the French Government hopes, is favorable, the time at which this visit might take place.

Please accept [etc.]

HENRI HOPPENOT

## Economic Mission to Liberia

[Released to the press October 31]

The Foreign Economic Administration at the suggestion of the Department of State and with the approval of the Liberian Government is sending an economic mission to Liberia. The mission, which will leave in the near future, will have the dual aim of increasing Liberia's production of such strategic materials as rubber and palm oils, which are vitally needed in the war effort, and developing other resources needed by the United Nations. An important part of the mission's work will be connected with the development of a seaport to be constructed by a private American contractor under the supervision of the Bureau of Yards and Docks of the United States Navy. Funds advanced by the Foreign Economic Administration for this purpose are to be repaid from commercial port income. The mission will be concerned with coordinating port activities with other plans for aiding Liberia in the development of its resources.

Mr. Earl Parker Hanson, FEA special representative to Liberia, will head the mission.

<sup>1</sup> BULLETIN of July 4, 1942, p. 582, and Aug. 1, 1942, p. 670.

# Economic Aid to Italy

EXCHANGE OF LETTERS BETWEEN THE MAZZINI SOCIETY AND THE DEPARTMENT OF STATE

[Released to the press November 4]

OCTOBER 30, 1944.

MY DEAR MR. SECRETARY:

Reports from Italy have given rise to some confusion and concern among Americans of Italian descent and to friends of Italian democracy with respect to the present economic situation and the future outlook in that stricken land.<sup>1</sup>

We would appreciate it, therefore, if you would help to clarify a situation which holds for us a deep interest for the present and the future. We believe that such clarification would help the morale of those of us who have ardently desired to see Italy fight and win for itself an honored place among the United Nations.

Very respectfully yours,

UMBERTO GUALTIERI  
*National Secretary*

NOVEMBER 3, 1944

MY DEAR MR. GUALTIERI:

In reply to your letter of October 30, 1944, requesting information on the economic situation in Italy, I am happy to give you the following facts:

The Government of the United States has been and continues to be very much interested in the plight of the Italian people, particularly in their economic wellbeing. The heritage of Western and Christian civilization, which has played such a fundamental role in the life of this country, is based largely on the contributions made by Greece and Italy. No small part of the population of the United States is of Italian origin, making American interest in conditions in Italy even more direct and real. Furthermore, Italy is the first European country to be liberated by the Allies. Italy thus presented a challenge to the United Nations and called for such interest owing to the fact that economic conditions in the liberated parts of Italy were critical.

It must be remembered that we went into Italy to defeat the enemy and to liberate that country

from the control of the Fascists and the Germans. Our prime contribution, therefore, was military. As the Allies moved in, they found a country whose economy had progressively deteriorated under Fascist mismanagement, Nazi oppression, and as a result of military operations to drive the Nazis from Italy. Under Fascist control a large part of Italian resources and productive capacity had been devoted to preparing for and engaging in war rather than producing to meet the needs of the people of Italy. A country which has always been economically insufficient and dependent on large imports from abroad had thereby been put in a deplorable state. Nazi oppression and plundering made the situation worse. Bombing and other military operations to drive the Germans out caused further devastation and deterioration of Italy's economic, agricultural, and industrial system.

Such was the chaotic and critical situation which faced us and our Allies in Italy and which had to be met despite the fact that we were carrying on active warfare against the enemy in the Mediterranean, in Northwest Europe and in the Far East and these military efforts were straining our resources severely in shipping, port facilities, critical supplies and manpower. Our accomplishments to date in remedying the conditions inherited from nearly a quarter of a century of Fascist misrule, Nazi oppression and the devastation of war have been substantial. The facts and figures relating to the accomplishments speak for themselves.

In addition to our prime aim in ridding most of Italy of Fascist and German oppression we and our Allies have accomplished the following:

1. We have supplied 1,107,000 tons of basic food-stuffs to the Italian civilian population and provided another 1,193,000 tons of other civilian supplies making an aggregate material contribution to Italy's economic wellbeing of 2,300,000 tons. In order to insure the equitable distribution of these supplies and to make their use more effective, we have helped the Italians iron out the inequalities

<sup>1</sup> BULLETIN of Oct. 15, 1944, pp. 401, 403.

and render more efficient their rationing system and assisted them in every way possible in the collection and distribution of domestic supplies, particularly the food crops of the current year.

2. The United States has made available to the Italian Government the dollar proceeds of the pay of United States troops in Italy as well as the dollar proceeds of remittances from and through the United States, and of Italian exports to the United States in order to permit Italy to procure such supplies as the United States and British Armies are not bringing in as part of their program of military operations.

3. The United Nations Relief and Rehabilitation Administration is supplementing our direct efforts in the relief and rehabilitation of Italy. UNRRA has undertaken to make an allocation of \$50,000,000 for supplemental relief within Italy. UNRRA plans, as part of this expenditure, to deliver 15,000 tons of extra foods monthly, to care for approximately 1,700,000 children and expectant or nursing mothers. In addition, professional personnel would assist Italian health authorities and UNRRA would supply about \$8,000,000 worth of supplemental medical supplies over a period of a year. This is over and above the aid being given by UNRRA to United Nations nationals who are refugees in Italy.

4. We have restored postal services with the rest of the world for most parts of liberated Italy, arranged for the shipment of supplies by private relief organizations and for parcel post gift packages, and have lifted the ban on commercial communications with Italy at a time when a major military campaign is still being waged on Italian soil.

5. We have encouraged the export of Italian products to this country and Great Britain, both in the hope of aiding the Allied efforts and of restoring Italy's place in international commerce.

6. We have assisted and reorganized the administrative machinery of the nation and its provinces so as to facilitate the country's rehabilitation.

7. We have repaired and reconstructed shattered vital lines of transport, including highways, bridges, railways, and the docks and facilities of many ports.

8. We have restored, repaired, and rebuilt essential public utilities—such as waterworks, electrical systems, gasworks and sewers—to the extent

necessary for military usage and for essential civilian economy in many cities, including Rome, Naples, and the devastated areas of Sicily.

9. We have assisted labor, after the abolition of Fascist syndicates, to set up its own organizations, and mediated and advised in settling all disputes. No major strikes have occurred and work stoppages were prevented without the use of compulsion.

10. We have rehabilitated key industries, wrecked by bombing and German demolition, in order to process food stuffs, manufacture textiles, mine essential minerals and to process them, both for military and essential civilian use, thus providing jobs as well. Planning for the rehabilitation of the following industries is well under way: soap, paper, textiles, tobacco and matches (important for government revenue as a monopoly) and fertilizers.

11. We supported banks after the crisis of liberation and permitted their rapid reopening on a sound basis, as indicated by the fact that deposits have increased.

12. We set up price controls for 21 major necessities, and we are curbing black market operations. This has been especially successful where it has been possible to increase rations.

13. We have made a complete study of agriculture, forestry and fishing with a view to determining precisely the supplies and finances needed for their restoration.

14. We initiated a quick and complete census of the people and of industry in order to obtain a clear picture of the country's needs and potentialities for rehabilitation and helped the Italian Government to set up appropriate machinery for re-establishing their industrial and transportation economy.

The Government of the United States foresees that with the termination of military operations and with the reduction in the calls being made on our resources and facilities for the conduct of the war, the Italian Government and people will be afforded even greater opportunities to rehabilitate their basic national economy and to take their rightful place in the world's economy.

Sincerely yours,

For the Secretary of State:

DEAN ACHESON

*Assistant Secretary of State*

# Conference at Bretton Woods Prepares Plans for International Finance

By JOHN PARKE YOUNG<sup>1</sup>

The United Nations Monetary and Financial Conference which met at Bretton Woods, New Hampshire, from July 1 to July 22, 1944 produced two major proposals: The International Monetary Fund and the International Bank for Reconstruction and Development. These two institutions are parts of the general program being planned by the United States and other peace-loving nations to improve economic conditions generally throughout the world.

At Dumbarton Oaks plans were made for general security and for an international organization with broad responsibilities. The Economic and Social Council proposed there would be a high coordinating body and would perform such functions as are assigned to it by the General Assembly. In addition, several specialized agencies whose responsibilities and authority would cover the major economic fields are planned. Plans for the Food and Agriculture organization were worked out at the conference at Hot Springs, Virginia. Measures are also being considered to bring about a general reduction of trade barriers and the abandonment of undesirable practices. The various measures and machinery that are being planned at this time constitute a unified program and are to be considered as parts of a whole.

In the field of finance, the agencies proposed are the International Monetary Fund and the International Bank for Reconstruction and Development. These two companion institutions are designed to provide a basis for the development of international financial transactions and thereby to facilitate expansion of trade and fuller utilization of the world's productive resources. They are pointed toward the goal of higher national incomes and general security.

The two plans represent the combined efforts of 44 nations and are the culmination of study and informal discussions spread over an extended period of time, among the technical experts of these governments. The main outlines and principles

of the plans were thus generally agreed upon prior to the Conference, but a great deal of work remained.

From the near-range viewpoint the Conference was marked by an unusually large amount of hard and intensive work and by a determination of the nations represented to find common ground for agreement and to produce a plan. The delegations included men of the highest level of technical competence.

From the long-range viewpoint the Conference represents a significant step in international collaboration. Technical experts from 44 nations have set forth what they consider to be rules of the game in the field of currency and exchange. With pre-war currency and trade disorders fresh in mind, the nations recognized that their economic interests were interlocked and that cooperation was essential; they recognized also that the machinery they were designing could, if properly designed, make a major contribution to the lasting health and prosperity of the world.

The agreements worked out at the Conference do not commit any government. They are now before the governments of the United Nations for their consideration and action. The Fund agreement shall go into effect when approved by nations having 65 percent of the quotas; the Bank agreement shall go into effect when approved by members of the Fund whose minimum subscriptions to the Bank comprise 65 percent of the total subscriptions scheduled.

## ORIGIN OF PLANS

When currency systems were restored after the last war there was little or no attempt at coordination of measures to provide stability; no machinery was set up to facilitate an orderly adjustment of exchange rates when fundamental condi-

<sup>1</sup>Mr. Young, Adviser on International Financial Institutions, Division of Financial and Monetary Affairs, Office of Economic Affairs, Department of State, was a member of the Secretariat at the Bretton Woods Conference.

tions necessitated such a revision. The disturbances of the 1930's, involving a resort to competitive currency depreciation, imposition of exchange restrictions, import quotas, and other devices which all but stifled trade, made it clear that improved international financial arrangements were necessary. The currency and exchange difficulties of that period are generally regarded as contributing to a considerable extent to the outbreak of the present war.

As the war progressed, discussion of international financial objectives and procedures was stimulated. In the United States Dr. Harry White of the Treasury Department prepared a plan for an international stabilization fund and an investment bank which he presented confidentially early in 1942 to a small group in Washington.

Discussions had also been under way in England, and soon thereafter Lord Keynes offered a proposal for an "International Clearing Union". The British Government printed this proposal as a secret document without Lord Keynes' name. Copies were made available to United States Government officials. These two proposals became known as the White Plan and the Keynes Plan. They were actively discussed in government circles both in Washington and London beginning about the middle of 1942, and early in 1943 they were confidentially communicated to other United Nations.

In April 1943 the two plans were made public. The American release to the press of a "Preliminary Draft Outline of Proposal for a United and Associated Nations Stabilization Fund" and the British White Paper presenting "Proposals for an International Clearing Union" pointed out that each proposal was the work of government technical experts and that it did not involve any official commitment. Although the original White Plan provided for the creation of an investment bank as well as a stabilization fund, the material made public in April 1943 did not include the proposal for a bank. Attention was concentrated on the stabilization fund. The British proposal referred to the need for other institutions, including a Board for International Investment, and mentioned the services which the Clearing Union might perform for such a Board.

In the spring of 1943 the President created a committee known as the Cabinet Committee, consisting of the heads of the Department of State,

Department of Commerce, Foreign Economic Administration, and Board of Governors of the Federal Reserve System, to work with the Secretary of the Treasury on the question. A technical commission composed of Government financial experts under the chairmanship of Dr. White was also established.

When the American proposal was made public the Secretary of the Treasury sent copies to 37 nations and invited them to send technical experts to Washington to make suggestions and to discuss the proposal. Accordingly, about the middle of 1943 discussions with experts from a large number of countries were held informally in Washington. Many valuable changes and additions developed from these discussions. Shortly afterward the Canadian experts offered a plan which presented their views, and a little later China and France came forward with proposals. The similarities of the various viewpoints were much more marked than were the differences. Following these discussions between American and foreign technical experts a revision of the so-called White Plan was published in July 1943.<sup>14</sup>

In the fall of 1943 British economic and financial experts came to the United States to discuss various topics. The financial discussions dealt almost entirely with the currency-stabilization proposals and only to a small extent with plans for a bank. The British and American experts found themselves in substantial agreement on the major principles of stabilization, so that the prospects of designing a plan agreeable to both countries appeared bright. The discussions continued by correspondence, and there was prepared a so-called joint statement of principles on which there was agreement.

Meanwhile, in November 1943 the Treasury Department had published a draft of the bank proposal. Russian experts came to Washington early in 1944 and engaged in extended discussions with respect to both proposed institutions. These discussions were undertaken with considerable interest in view of the differences between the Russian economic system and the systems prevailing in most other countries. It soon developed that agreement with Russia on both the Fund and the Bank was possible.

Out of these various discussions there developed a document known as the Joint Statement of Ex-

<sup>14</sup> BULLETIN of Aug. 21, 1943, p. 112.

perts on the International Monetary Fund. This document represented the common area of agreement among the nations that had participated in the discussions. It was published on April 22, 1944 simultaneously in Washington, London, Moscow, Chungking, Ottawa, Rio de Janeiro, Mexico City, and Habana, and in full or abbreviated form in many other countries. It represented the views of the experts of approximately 30 countries and constituted a basis for the development of the subsequent detailed plan.

Time had not permitted preparation of a similar statement with respect to the Bank. The discussions had indicated a large measure of agreement on the Bank, but the plan was not so far advanced as was that for the Monetary Fund.

During this period the Secretary of the Treasury kept the Congress informed regarding developments and at various times made arrangements to appear before congressional committees. Prior to the publication of the Joint Statement he explained the proposals in considerable detail to congressional committees; he indicated that an international conference on the subject would probably be called. This Government's position, as explained by Secretary Morgenthau, was to the effect that the Joint Statement was a statement of the Government's financial experts and that it was not a commitment of the Government itself. Whatever plan the conference would work out would, necessarily, be submitted to the Congress for its consideration. Other governments took a similar position.

In May 1944 the President issued invitations to the 44 United and Associated Nations to attend a conference to be held at Bretton Woods, New Hampshire, in July 1944. The conference was to discuss the proposed Monetary Fund within the terms of the Joint Statement and was to consider if possible the bank proposal.

In order to facilitate the work of the conference and to work out some of the many details, a preliminary meeting was held at Atlantic City. On June 15 a group of American financial experts assembled there and were joined a few days later by experts from 15 other countries. The group worked intensively, endeavoring to deal with some of the unsettled questions and to produce a more finished document. At this preliminary conference the British experts presented proposals for the Bank which involved some changes from the earlier plan but which met with almost immediate

approval of the experts of the other nations, including the United States. It became clear that the Bank proposal was to receive major consideration at the Conference. The group at Atlantic City went directly from there to the Conference at Bretton Woods which assembled on July 1, 1944.

## INTERNATIONAL MONETARY FUND

### *Purposes*

The International Monetary Fund Agreement, drawn up at the Conference, sets forth what the nations consider to be the principles and procedures or "rules of the game" in the field of currency and exchange, as well as with respect to certain phases of commercial policy. These principles and the machinery of the Fund are designed to facilitate the expansion of trade and also to prevent conditions which cause governments to impose restrictions on trade and resort to other uneconomic devices. A consultative procedure, moreover, is established whereby representatives of the member governments would regularly consider, in a dispassionate manner, their mutual problems. The Fund, as noted above, is part of the program to promote a fuller flow of trade and to improve economic conditions generally throughout the world.

The Fund provides facilities to assist countries in reducing or avoiding many of the disturbances that accompany changes in trade and other conditions. In periods of exchange stringency it would relieve the pressure for deflation and would tend to check many of the influences which depress trade, production, and employment. It would promote orderly changes in exchange rates and other economic adjustments when changes and adjustments are necessary.

The Fund is designed to provide machinery which would, so far as possible, make the currencies of its members freely convertible one for the other at established rates. Such convertibility would permit foreign trade and other international transactions to take place with a minimum of risk and difficulty arising out of the existence of different currency systems. These risks and difficulties in the past, especially during the 1930's, have greatly restricted international trade.

The proposed plan endeavors to provide a system wherein traders would be able to buy and sell in any market in the world, wherever such buying and selling could be done to the best advantage,

and to discourage arrangements whereby trade is channeled or is confined to pairs of countries. A broad multilateral trading system is the type envisaged, in order that trade may expand and may realize its full potentialities. Traders would receive accordingly some assurance regarding the amount of their own money to be realized from the proceeds of a foreign sale and that the money could be transferred without hindrance.

The purposes of the Fund are stated in article I at the beginning of the Agreement. The Fund is to be guided in all its decisions by these purposes, which are as follows:

(i) To promote international monetary cooperation through a permanent institution which provides the machinery for consultation and collaboration on international monetary problems.

(ii) To facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy.

(iii) To promote exchange stability, to maintain orderly exchange arrangements among members, and to avoid competitive exchange depreciation.

(iv) To assist in the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade.

(v) To give confidence to members by making the Fund's resources available to them under adequate safeguards, thus providing them with opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.

(vi) In accordance with the above, to shorten the duration and lessen the degree of disequilibrium in the international balances of payments of members.

#### *General Nature of Provisions*

The basic principles or means by which the above purposes are to be achieved are fairly simple. They are essentially these:

1. Member countries undertake to keep their exchange rates as stable as possible; accordingly, no changes in rates are to be made unless essential to correct a fundamental disequilibrium.

2. If basic conditions have changed so that a new rate becomes necessary, an adjustment can be made, but it must in all cases be made by consultation with the Fund and according to established procedures. Beyond certain limits rates can be changed only with the concurrence of the Fund.

3. Currency values are to be stated in terms of gold (or U. S. dollars), and the stability of a currency is to be gaged by its relation to gold (or U. S. dollars). Gold is to be accepted by members in settlement of accounts.

4. A common pool of resources, contributed by the members, is to be established and made available under safeguarding conditions to meet temporary shortages of exchange and thereby to help maintain the value of a member's currency until such member has had time to correct the maladjustment which may be causing the difficulty.

5. Member countries agree not to engage in discriminatory currency practices and similar devices or to impose restrictions on the making of payments and transfers for current international transactions. Existing restrictions are to be abandoned as soon as the post-war transitional period permits.

6. During the post-war transitional period flexibility in rates is provided, until rates can be found which give promise of permanence. The resources of the Fund are protected during this period.

7. Countries agree to maintain the gold value of their currency held by the Fund, so that the assets of the Fund will not depreciate in terms of gold. Countries thus guarantee the Fund against loss due to possible depreciation of their currency.

8. The Fund is to deal only with governments or their agencies and is to have no direct contact with the exchange market. Its facilities are to be utilized to clear only those balances not otherwise cleared by the market.

In the proposed Agreement these and other provisions are elaborated in detail. The provisions of the Fund are summarized below.

#### *Membership and Subscription to Fund's Resources*

Although original membership is confined to the United Nations that were represented at the Bretton Woods Conference, other countries may become members on such terms as the Fund may

prescribe. Each member is to contribute to a common pool which will constitute the resources of the Fund. For this purpose each country is assigned a quota which is related to the size of the member's foreign trade and other international transactions and to fluctuations therein. A table of quotas for the nations at the Conference is given on page 546. The total of these is \$8,800,000,000.

Subscriptions are to be paid in gold to the extent of 25 percent of the quota or 10 percent of the country's net official holdings of gold and United States dollars, whichever of these amounts is the smaller. In the case of the United States this would be about \$688,000,000 and for all nations at the Conference about \$1,800,000,000. Each country is to pay the remainder in its own currency.

A member may withdraw from the Fund at any time. If a member misuses the Fund or fails to fulfil its obligations under the Agreement it may be denied access to the Fund and may eventually be required to withdraw.<sup>2</sup>

#### *Rates of Exchange*

In order to provide for stability of exchange rates, each currency unit is to have a definite par value in terms of gold or in terms of the United States dollar. These pars are to be determined originally as follows. Each member will communicate to the Fund the par value which it desires for its currency, such par being based on the rates of exchange prevailing on the sixtieth day before the Agreement comes into force. Unless within 90 days the Fund notifies the member that the rate is unsatisfactory, or the member so notifies the Fund, this par value becomes effective. If the Fund and the member cannot agree on a suitable par, the member must withdraw from the Fund.

Countries that have been occupied by the enemy are allowed more time to select and adjust their pars, under conditions prescribed by the Fund. This period of adjustment provides flexibility during the transition until currencies have settled to levels that the Fund believes can be maintained. This arrangement also protects the Fund's resources because during such a period access to the Fund is limited or denied entirely.

Rates for transactions between members may not differ from parity by more than one percent in the case of spot transactions and by a percentage

<sup>2</sup>This requires a majority vote of the Governors representing a majority of the total voting power.

that the Fund considers reasonable for other transactions.

Members are given a certain amount of initial leeway with regard to changes in rates; but once that leeway has been used up, rates can be changed only by permission of the Fund. Changes are not to be made under any conditions except to correct a fundamental disequilibrium, and then only by consultation with the Fund.<sup>3</sup> The Fund is not allowed to deny a proposed change if it is satisfied that the change is necessary to correct a fundamental disequilibrium.

Special arrangements exist for the post-war transitional period. The Fund may postpone beginning exchange transactions until it is satisfied that conditions are appropriate. It may also postpone transactions with any member if it believes such transactions would be prejudicial to the Fund. Countries that have been occupied by the enemy and that are granted an extension of time to select and adjust their par values may be restricted in their access to the Fund's resources.

#### *Use of Fund's Resources*

The resources of the Fund are intended to help members meet temporary needs for foreign exchange due to fluctuations in their current foreign transactions. Members may therefore acquire from the Fund, under certain conditions, the currency of any other member by paying their own currency, or gold, in exchange. For example, a country that ordinarily exports agricultural products may as a result of a crop failure find itself short of foreign exchange with which to pay for its regular imports. If it has not previously been using the Fund to excess or is not otherwise ineligible, it could acquire foreign exchange from the Fund.

The resources of the Fund are not intended to be used to provide a member with foreign capital for investment or long-term needs. The currency acquired must be needed for making payments for current transactions and not for the purpose of

<sup>3</sup>The Agreement provides that if a member proposes to change the par value of its currency because of a fundamental disequilibrium, the Fund may not object if the total of all previous changes (whether increases or decreases) does not exceed 10 percent of the initial par. Any change beyond this requires approval by the Fund. If the member proposes a change which exceeds the 10 percent but does not exceed a further 10 percent of the par, the Fund must give its opinion within 72 hours.

transferring capital from one country to another. Capital transfers of a large and sustained nature are excluded, since, if allowed, they might soon cause the Fund to be depleted of currencies which happened to be in strong demand. If the Fund were to be able to provide for flight of capital it would need to be very much larger. It is intended to provide only for fluctuations in current or noncapital items in the balance of payments. Current transactions are defined to include payments having to do with foreign trade, short-term banking, the transfer of interest and dividends, moderate amortization of the principal of loans, and remittances for family living expenses.

The needs for foreign exchange that are to be met by the Fund are the net amounts that are not cleared through ordinary market transactions. The Fund does not deal with the public but only with governments or their agencies. If a country needs foreign exchange from the Fund, its government must do the buying and can then make the exchange available to private parties.

A member may not ordinarily acquire foreign currencies in exchange for its own currency to a point where the Fund's holdings of such member's currency increase by more than 25 percent of its quota during the previous 12 months, nor exceed 200 percent of its quota. Furthermore, if the Fund believes that a member is using the resources of the Fund in a manner contrary to the purposes of the Fund, it may limit or deny such member access to its resources. If the Fund believes that a member is making improper use of the Fund's resources, it is required to make a report to such member setting forth the views of the Fund.

Members using the Fund's resources are required to pay certain charges which increase as the member's recourse to the Fund increases, and which also increase according to the length of time that its currency in excess of its quota is held by the Fund.

Several provisions exist to build up or replenish the Fund's holdings of gold and of currencies which may be in strong demand. The purpose of these important provisions is to strengthen the Fund over the years and to keep its holdings of the different currencies in reasonable balance.

In the first place, members desiring to buy the currency of other members with gold shall do so from the Fund if this purchase can be made with equal advantage. Moreover, in certain cases mem-

bers are required at the end of each financial year of the Fund to repurchase from the Fund a portion of their currency held by the Fund if such holding has increased during the year or if the member's monetary reserves have increased.<sup>4</sup> These provisions are designed to prevent countries from increasing their own reserves at the expense of the Fund and from using the Fund's resources when their own are available. If the Fund is short of a certain currency, it may borrow the currency, provided the member whose currency is involved approves. Members also agree to sell their currencies to the Fund for gold, so that if the Fund needs more of a certain currency, it can, if it desires, obtain this with gold.

Access to a large pool of foreign currencies, as provided to members of the Fund, would, it is believed, tend to inspire confidence in a member's currency and thereby to prevent speculative attacks on such currency and to promote stability. It would also give a country time in which to make necessary adjustments when the lack of balance in its foreign payments and receipts is not of a self-correcting but of a continuing nature.

#### *Exchange Restrictions*

Since restrictions on the purchase and sale of foreign exchange are inconsistent in general with the expansion of world trade and with the purposes of the Fund, these transactions are with a few exceptions prohibited by the Fund. This is an important aspect of the Fund Agreement and recognizes that the stability which the Fund endeavors to promote would be interfered with by measures which restrict trade. Such restrictions have been used to interfere with the flow of trade

<sup>4</sup> The amount to be so repurchased is to be equal to one half of any increase in the Fund's holdings of such currency, plus one half of any increase that may have occurred in the member's monetary reserves. If the member's reserves have decreased, there is to be subtracted from the amount to be repurchased one half of such decrease. If, after the above repurchase, a member's holdings of the currency of another member have increased as a result of transactions in that currency with other members, the member whose holdings of such currency have increased must use the increase to repurchase its own currency from the Fund. None of the above adjustments, however, are to be carried to a point where the member's monetary reserves fall below its quota, or where the Fund's holdings of such currency fall below 75 percent of its quota, or where the Fund's holdings of the currency to be paid to the Fund are above 75 percent of the quota of the member concerned.

and to discriminate between countries and have been the source of serious economic difficulties. The Fund Agreement therefore provides that, apart from a few exceptions and approval of the Fund, no member may impose any restrictions on the making of payments for current international transactions. Current transactions, as noted above, include those dealing with foreign trade, short-term banking, payments of interest and dividends, reasonable amortization, and remittances for family living expenses.

Exceptions that are permitted deal with restrictions on the transfer of capital, on a currency that is scarce and cannot be supplied in adequate amounts by the Fund, and on transactions during the post-war transitional period. Restrictions are allowed on transactions with non-members unless the Fund disapproves.

Since members are not allowed to use the resources of the Fund to meet large or sustained outflows of capital, restrictions on capital transfers may be necessary from time to time in some countries. Large capital movements can be so unpredictable and can so upset economic and financial stability that members are permitted to exercise such controls of capital movements as they consider necessary. The Fund may require a member to restrict capital movements if it believes such movements are utilizing the Fund's resources.

If a scarcity of a particular currency develops, the Fund may formally declare such currency scarce and thereafter apportion the Fund's supply as it deems appropriate. This is a necessary safety valve since it is possible that in spite of the Fund and the corrective measures provided a situation may develop wherein there is a general shortage of a certain currency. Whenever the Fund declares a currency scarce, members may thereafter impose restrictions on exchange operations in that currency, but this must be done in consultation with the Fund. The restrictions are to be no greater than necessary to limit the demand for the scarce currency to the supply held by the member, and they must be removed whenever the Fund declares the currency no longer scarce.

If the Fund anticipates that a scarcity is developing it may issue a report setting forth the causes of the scarcity and giving the Fund's recommendations. In the event the Fund declares a currency scarce it is required to issue a report.

Members are allowed to retain or impose exchange restrictions during the post-war transitional period provided they believe that otherwise they could not settle their balance of payments without undue recourse to the Fund. During this period the Fund is to report on restrictions still in force, and after five years from the time when it begins operations it may make representations to a country regarding the removal of such restrictions. If the member persists in retaining them the member may be denied access to the Fund and may even be compelled to withdraw from the Fund.

An important provision of the Fund is that which prohibits members from engaging in discriminatory currency arrangements or multiple currency practices, except as may be authorized by the Fund. If any such arrangements or practices exist, members must consult with the Fund concerning their progressive removal. These devices were especially damaging to trade and to international economic conditions generally during the 1930's, so that the ban on them by the Fund is a notable accomplishment.

In order to provide for the convertibility of members' currencies each member agrees to redeem any of its currency that is held by other members, provided such currency has been acquired as a result of current transactions or its conversion is needed to make payments for current transactions. A member may redeem its currency either in gold or in the currency of the member requesting redemption.<sup>5</sup>

In cases where a member is authorized according to the Fund Agreement to maintain or establish exchange restrictions, and at the same time has engagements with members previously entered into which conflict, the parties to such engagements are to consult regarding any adjustments necessary. Previous engagements, however, are not to be allowed to interfere with restrictions that may become necessary when a currency has been declared scarce by the Fund. This provision means that

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<sup>5</sup> Certain exceptions are made to this requirement, such as when the convertibility of the balances for which redemption is requested has been restricted by permission of the Fund, when the balances were accumulated from transactions which took place before the restrictions had been removed, when the balances had been acquired contrary to the exchange regulations of the member asked to redeem them, when the currency of the member requesting redemption has been declared scarce, or when the member requested to make redemption is not entitled to buy currencies from the Fund for its own currency.

the stability of exchange rates is not to be upset when the situation is of such a nature that a temporary imposition of exchange restrictions would permit the maintenance of established rates.

### Management

The Fund is to be administered by a Board of Governors consisting of one Governor appointed by each member. The Board meets annually or oftener if it desires. The immediate management of the Fund is entrusted to the Executive Directors, who function in continuous session. There must be at least twelve Executive Directors, five of whom are appointed by the five members having the largest quotas. Two are to be elected by the American republics not entitled to appoint Directors, and the remaining five are to be elected by the other members.

Each member of the Board of Governors may cast 250 votes plus a number of votes determined by the size of the member's quota. On the basis of the present quotas the United States will have 27,750 votes, or 28 percent of the total. The United Kingdom comes next with 13,250 votes, or 13.4 percent of the total. Russia is third with 12,250 votes, or 12.4 percent of the total. China has 5.8 percent of the votes, France 4.8, India 4.3, and Canada 3.3. Each Executive Director is allowed to cast the number of votes which counted toward his election.

The above voting power is to be adjusted depending upon whether, and the extent to which, a member has recourse to the resources of the Fund. A member acquires one additional vote for the equivalent of each \$400,000 of net sales of its currency. Similarly, a member who is buying currencies from the Fund loses one vote for the equivalent of each \$400,000 of its net purchases of the currencies of other members.

Any net income realized by the Fund is to be distributed to the members in proportion to their quotas, although before this is done a two-percent non-cumulative payment is to be made to countries whose currencies have been in special demand, on the amount by which the Fund's average holdings of such currencies fall below 75 percent of their quotas.

The Fund may at any time that it desires advise any member concerning the Fund's views on matters affecting the Fund. By a two-thirds majority of the total voting power the Fund may publish

a report made to a member regarding monetary or economic conditions in such country which tend to produce disequilibrium in the balances of payments of members.

The principal office of the Fund is to be in the territory of the member having the largest quota. Depositories are to be maintained in other member countries.

### QUOTAS FOR INTERNATIONAL MONETARY FUND FOR COUNTRIES REPRESENTED AT THE CONFERENCE

(In millions of United States dollars)

Australia	200	Iraq	8
Belgium	225	Liberia	.5
Bolivia	10	Luxembourg	10
Brazil	150	Mexico	90
Canada	300	Netherlands	275
Chile	50	New Zealand	50
China	550	Nicaragua	2
Colombia	50	Norway	50
Costa Rica	5	Panama	.5
Cuba	50	Paraguay	2
Czechoslovakia	125	Peru	25
Denmark	(*)	Philippine	
Dominican Republic	5	Commonwealth	15
Ecuador	5	Poland	125
Egypt	45	Union of	
El Salvador	2.5	South Africa	100
Ethiopia	6	Union of Soviet So-	
France	450	cialist Republics	1,200
Germany	40	United Kingdom	1,300
Guatemala	5	United States	2,750
Haiti	5	Uruguay	15
Honduras	2.5	Venezuela	15
Iceland	1	Yugoslavia	60
India	400	Total	8,800
Iran	25		

\*The quota of Denmark shall be determined by the Fund after the Danish Government has declared its readiness to sign the Agreement but before signature takes place.

### INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The international flow of long-term capital has been seriously disrupted for some years and has also at times been subject to excesses and other difficulties. Judging from existing facilities and conditions, including the hesitancy of private capital to seek investment abroad, it does not appear likely that very large sums of money will be available for foreign investment unless constructive action is taken. But it is generally believed that a large volume of foreign investment, properly guided, is of special importance to the United States and to the world at large from

the standpoint of economic expansion, full employment, and stable international conditions. Moreover, during the immediate post-war years the needs of capital for reconstruction are expected to be pressing.

The resources of the Monetary Fund, as noted above, are not to be used for capital investment or long-term transactions. They are therefore not available to finance reconstruction of devastated countries or for economic development. The Bank for Reconstruction and Development is designed, as a companion institution to the Fund, to help meet these needs. The Bank is intended to facilitate the flow of long-term capital on proper terms and for productive purposes.

If private foreign lending is to revive and achieve its purpose it should be on a basis which protects the interests of both investors and recipients of the capital. The proposed Bank would endeavor to promote such a condition by offering its facilities for loans that were properly approved and that came up to certain standards. The Bank is allowed to make direct loans itself, but most of its capital is available only to guarantee loans. In making or guaranteeing loans, the Bank would give careful attention to all the circumstances, including the capacity of the borrower, the nature of the project for which the loan is contracted, and the terms and conditions. The Bank presumably would not make or guarantee a loan which imposed onerous or unreasonable conditions upon the borrower. Loans would need to be scrutinized from the standpoint both of their investment soundness and of their broad economic aspects.

The Bank is not concerned with provision of funds for relief; that is the responsibility of other agencies. Loans to governments for public purposes that may be socially desirable though non-revenue-producing are permitted, provided repayment and service on the loan are amply provided for.

By eliminating certain risks, by minimizing others, and by spreading widely those risks which could not be avoided, the Bank would perform an important economic function. The risks, according to the Agreement, would be spread internationally among the members in proportion to their shares of stock.

The Bank would endeavor to use its influence and facilities to promote the development of stable

and prosperous international financial conditions; thus it would supplement the work of the Fund in the field of currency and exchange. It would endeavor to stimulate trade and to increase the level of national incomes. It is part of the general economic program for the post-war world. It would tend to eliminate basic causes of disequilibrium by regularizing and reducing the wide fluctuations in the flow of investment and also by raising the levels of economic activity in the nations of the world. By making capital available under proper conditions it would hasten economic adjustments as well as help to prevent maladjustments. The Bank would thus operate directly on the causes of disequilibrium.

The purposes of the Bank, which are stated in article I of the Agreement and which are to guide the Bank in all its decisions, are as follows:

(i) To assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes, including the restoration of economies destroyed or disrupted by war, the reconversion of productive facilities to peacetime needs and the encouragement of the development of productive facilities and resources in less developed countries.

(ii) To promote private foreign investment by means of guarantees or participations in loans and other investments made by private investors; and when private capital is not available on reasonable terms, to supplement private investment by providing, on suitable conditions, finance for productive purposes out of its own capital, funds raised by it and its other resources.

(iii) To promote the long-range balanced growth of international trade and the maintenance of equilibrium in balances of payments by encouraging international investment for the development of the productive resources of members, thereby assisting in raising productivity, the standard of living and conditions of labor in their territories.

(iv) To arrange the loans made or guaranteed by it in relation to international loans through other channels so that the more useful and urgent projects, large and small alike, will be dealt with first.

(v) To conduct its operations with due regard to the effect of international investment on business conditions in the territories of members and, in the immediate post-war years, to assist in bring-

ing about a smooth transition from a wartime to a peacetime economy.

#### *Membership and Subscriptions*

Membership in the Bank is open only to members of the International Monetary Fund. Apart from the original members of the Fund, other countries may become members of the Bank on terms prescribed by the Bank, but they must also be members of the Fund. If a country ceases to be a member of the Fund it automatically ceases to be a member of the Bank unless retained by a three-fourths majority of the total voting power.

Since the existence of the Fund would promote stable currency and exchange conditions, which are of considerable importance to international investment, it was decided that members of the Bank should be required to participate in the Fund. The requirement also helps protect the Bank by providing safeguards for reasonable stability of a borrower's currency.

The authorized capital of the Bank is 10,000,000,000 United States dollars, of the present weight and fineness, but the total of the prescribed minimum subscriptions amounts to \$9,100,000,000. Each member is required to subscribe to a minimum number of shares of the capital stock assigned to such member in the Agreement.

The capital is to be divided into two parts. The first portion, namely 20 percent, may be used to make direct loans. The remaining portion, 80 percent, is not available for lending but constitutes a reserve fund for guaranteeing loans. It may be called up only when needed to meet obligations of the Bank in connection with loans which the Bank has guaranteed or to make payments on the Bank's own borrowings.

Payments on subscriptions are to be made partly in gold or United States dollars and partly in the currencies of the members. Each share of stock must be paid for in gold or United States dollars to the extent of two percent of its price and in the currency of the member to the extent of 18 percent. This accounts for the first or 20-percent portion of the capital. As regards the other portion, namely 80 percent, payment may be made either in gold, United States dollars, or the currency required to discharge the obligations of the Bank for which the call was made. On the basis of the quotas assigned at the Conference the gold or United States dollar subscription (apart from the 80-percent portion) would amount to \$753,500,000, of

which the United States subscription would account for \$635,000,000. Twenty percent of the quotas would amount to \$1,820,000,000.

The above two percent is to be paid within 60 days from the beginning of operations and the 18 percent when the Bank calls for it. During the first year of operations, however, the Bank must call for at least 10 percent of its subscribed capital.

If a member's currency depreciates the member must provide the Bank with enough additional currency to maintain the original gold value of its currency held by the Bank and derived from the 20-percent portion of capital.

#### *Loans and Guaranties*

The Bank would provide funds to borrowers either by making loans itself or by guaranteeing loans in order to aid borrowers to obtain them on reasonable terms from the private market. The Bank is not allowed to have outstanding at any one time loans or guaranties in excess of its unimpaired capital, surplus, and reserves.

All loans which the Bank may make or guarantee must be guaranteed by a member or its central bank or equivalent agency. The resources of the Bank are not available for the benefit of non-members. The Bank may guarantee or make a loan only when it is satisfied that the borrower would otherwise be unable to obtain the loan on reasonable terms. The Bank thus would not interfere with private lending unless exorbitant terms were being imposed.

In order to safeguard the resources of the Bank and to make sure that loans are for proper purposes, each loan or guaranty must first be recommended by a technical committee after it makes a careful study of the project. The Bank must also assure itself that the proceeds of a loan are used for the purposes for which the loan was granted. Loans and guaranties are ordinarily to be for specific projects of reconstruction and development.

The Bank may acquire additional funds to lend by borrowing in the market of a member, provided the member approves and agrees that the proceeds may be freely convertible into the currency of any other member. Loans out of the Bank's resources, namely out of the 20-percent portion of the capital, however, must be approved by the member whose currency is involved. The Bank is not allowed to impose any conditions that the proceeds of a loan be spent in any particular country.

When the Bank makes a loan it provides the borrower with such currencies as may be needed for expenditures within the territories of other members. Only in exceptional circumstances will the Bank provide a borrower with the borrower's own currency.

Payments of interest and principal on loans out of the Bank's own capital are to be made in the same currency as that lent, unless the member whose currency is lent agrees otherwise. These payments are to be equivalent to the value of the contractual payments at the time the loan was made, in terms of a currency specified for the purpose by the Bank. Loans out of money borrowed by the Bank may be in any currency, but the total outstanding loans in any one currency may not exceed the total of outstanding borrowings by the Bank in the same currency. This means that the Bank is protected in the event of depreciation of a currency owed to it.

If a member suffers from an exchange stringency, the Bank may accept that member's own currency temporarily or make other adjustments, provided adequate safeguards are arranged.

The commission which the Bank is to receive for loans which it may guarantee is to be between one percent and one and a half percent a year. After 10 years' experience the commission may be adjusted if the Bank deems advisable. In the event of default by a borrower guaranteed by the Bank, the Bank may terminate its liability by offering to purchase the obligations at par and accrued interest. All commissions received by the Bank are to be set aside as a special reserve to meet liabilities.

The Bank may buy and sell securities which it has issued or guaranteed, with the approval of the member in whose territories the securities are to be bought or sold. It may buy and sell other securities for the investment of its special reserve. Each security which the Bank guarantees or issues must carry a conspicuous statement to the effect that it is not the obligation of any government unless expressly stated on the security.

The Bank may not interfere in the political affairs of a member, nor may it be influenced in its decisions by the political character of the member concerned.

### *Management*

The Bank is to be administered by a Board of Governors, one Governor appointed by each member. The Board of Governors is to meet at least annually. Each member of the Board is to have 250 votes plus one vote for each share of stock held. On the basis of the quotas drawn up at the Conference, the United States would have 32,000 votes or 31.4 percent of the total; the United Kingdom, 13 percent; Russia, 12 percent; China, 6.1 percent; and France, 4.6 percent.

The immediate conduct of the Bank's operations is in the hands of twelve Executive Directors. Five of the Executive Directors are to be appointed by the five members having the largest number of shares; the remaining seven are to be elected by all the Governors other than those appointing the above five members. The system of election of these seven Directors is arranged so that it gives special consideration to small countries whose votes might otherwise be ineffective.

In making decisions on applications for loans relating to matters within the competence of other international organizations, the Bank is to give consideration to the views of such organizations.

The principal office of the Bank is to be in the territory of the member holding the largest number of shares. The Bank may establish agencies, branches, or regional offices elsewhere.

The net income of the Bank is to be distributed to shareholders in proportion to their shares, although a two-percent non-cumulative dividend is to be paid first to each member on the basis of the average amount of loans outstanding during the year out of currency corresponding to its subscription.

A member may withdraw from the Bank at any time. If a member fails to fulfil its obligations to the Bank it may be suspended by a decision of the majority of the Governors exercising a majority of the total voting power.

Amendments to the Bank Agreement require a vote of three fifths of the members having four fifths of the total voting power. The Bank is to have an Advisory Council of not less than seven persons selected by the Board of Governors, including representatives of banking, commercial, industrial, labor, and agricultural interests.

SUBSCRIPTIONS TO THE BANK FOR RECONSTRUCTION AND DEVELOPMENT ALLOCATED TO COUNTRIES REPRESENTED AT THE CONFERENCE

(In millions of United States dollars)

Australia	200	Iraq	6
Belgium	225	Liberia	.5
Bolivia	7	Luxembourg	10
Brazil	105	Mexico	65
Canada	325	Netherlands	275
Chile	35	New Zealand	50
China	600	Nicaragua	.8
Colombia	35	Norway	50
Costa Rica	2	Panama	.2
Cuba	35	Paraguay	.8
Czechoslovakia	125	Peru	17.5
Denmark	(*)	Philippine	
Dominican Republic	2	Commonwealth	15
Ecuador	3.2	Poland	125
Egypt	40	Union of	
El Salvador	1	South Africa	100
Ethiopia	3	Union of Soviet So-	
France	450	cialist Republics	1,200
Greece	25	United Kingdom	1,300
Guatemala	2	United States	3,175
Haiti	2	Uruguay	10.5
Honduras	1	Venezuela	10.5
Iceland	1	Yugoslavia	40
India	400		
Iran	24	Total	9,100

\*The quota of Denmark shall be determined by the Bank after Denmark accepts membership in accordance with the Articles of Agreement.

OTHER ACTIONS OF THE BRETTON WOODS CONFERENCE

Although the Conference was devoted primarily to consideration of the Fund and the Bank, it passed several resolutions dealing with economic and financial questions. These included a resolution that the wide fluctuations in the value of silver were to receive further study by the interested nations; that the Bank for International Settlements be liquidated at the earliest possible moment; that measures be taken to see that the property looted by the enemy is restored to its rightful owners, and that all neutral countries be asked to take measures to prevent the enemy from transferring or concealing such looted property; that in order to attain the broader objectives of economic policy and the purposes of the Fund, the governments participating in the Conference seek agreement on the best means to reduce obstacles to international trade, to bring about orderly marketing of staple commodities, to deal with problems arising from the cessation of war production, and to harmonize national policies directed toward maintaining high levels of employment and rising standards of living.

## Meeting of the Governing Board of the Pan American Union

### Remarks by THE ACTING SECRETARY OF STATE<sup>1</sup>

[Released to the press November 1]

I should like to express on behalf of Secretary Hull his deep and sincere appreciation for the generous remarks of the Ambassador of Honduras in proposing his name for reelection as chairman of the Governing Board of the Pan American Union. It is, moreover, a great honor to my Government that its Secretary of State should once again be chosen to preside over so distinguished a body of statesmen, whose accomplishments have won for it a position of highest significance in the international affairs of the world.

Were Secretary Hull able to be here this afternoon, he would be able to state far more clearly than anyone else the importance which he has attached throughout the past 11 years to his association with the members of this body. The

friendships made here, the devotion with which the members of this Board have undertaken their work, and the enlightened spirit of mutual trust and cooperation which have characterized its deliberations have played no small part in making possible the growth of our inter-American system of consultation and collaboration.

At this time in history, when the minds of leading statesmen throughout the world are wrestling with the problem of establishing a world order for the maintenance of peace, the eyes of all men are turned to the inter-American system. They are weighing its significance and scrutinizing the principles on which it rests. Above all they seek to derive from it a faith that through international cooperation, guided by men of good-will, the world can establish a peaceful order in which to cultivate the spiritual advancement of mankind.

I know I speak for Secretary Hull when I reaffirm his unquestionable faith that we can achieve

<sup>1</sup> Delivered at the meeting of the Governing Board, Pan American Union, Nov. 1, 1944.

(Continued on page 562)

# Education in Germany Under the National Socialist Regime

By LEON W. FULLER<sup>1</sup>

## Higher Learning and Extracurricular Education

### SCIENCE AND THE UNIVERSITIES

#### *The Nazi Attitude Toward Science*

National Socialist reforms in the field of higher learning can be understood only in the light of the Nazi attitude toward science and research—an attitude which springs inevitably from the ethnocentric nature of the premises underlying all National Socialist thinking. It attacks first the detachment of the scientist. "Scientific objectivity", asserts a German educational journal, "is only one of the many errors of liberalism. The liberal man is only an artificial construction. He does not exist in reality; there are only men who belong to a nation and to a specific race." Science, then, like all other aspects of culture, is conditioned by its "folkish" environment and cannot exist without presuppositions. Modern liberal thought has erred in removing man from the center of things, presupposing a universe of abstract and eternal law in which human cultures could exist as detached entities. National Socialism seeks a return to man (as a particular type, a *Volk*) as the living center and criterion of scientific investigation. Science thus becomes "critical anthropomorphism"; the task of German thinkers is to "build up a culture which corresponds to this, the German type".

Every science is necessarily conditioned by a racial-political awareness; each observer is bound, whether consciously or not, by the forces of his race, surroundings, people, and soil. The alleged objectivity of science is, in fact, only a reflection

of the "bourgeois secular spirit" of the times. Science is no mere "function of the intellect"; it cannot shut out will, faith, and passion.<sup>2</sup>

According to Bernhard Rust science must possess a binding central idea. For National Socialists a *Weltanschauung* is the "fruitful Mother Earth from which every creation of the human intellect takes its growth. . . . Science is as much free as it is bound". Ernst Krieck repudiated "scientific absolutism". There can be no "pure reason" since man is both subject and object of knowledge. Science is necessarily conditioned by time and place; each generation, each unique national group arrives at its own form of truth. Thus there can be no "liberal neutrality" for science or education. Science must share in the total life of the community—must, in short, be "political" science. Science depends on the scientist. To Alfred Bäumler science was "heroic rationalism"; research was conquest. A bellicose, not theoretical, approach has created a science which must be as partial, as one-sided as a cavalry attack in pursuing its objectives. Philipp Lenard (eminent Nazi physicist and author of *Deutsche Physik*) denied that science could be universal: "Science, like every other human product, is racial and conditioned by blood."

It follows from the Nazi assumptions that science can have no autonomy—there can be no "science for science's sake". It must serve the German folk-movement. Its specialists must enrol in the joint enterprise, and learning must serve the great cultural and political tasks of the epoch. Only pragmatic and useful truths are of value. In the preamble of the law of March 16, 1937 for establishing a National Research Council, the mobilization of research in behalf of the Four Year Plan was justified on the grounds that, by necessity, "scientific investigation has the task of reaching goals on which the existence of

<sup>1</sup>Mr. Fuller is a Country Specialist, Central European Section, Division of Territorial Studies, Office of Special Political Affairs, Department of State. This article concludes a series on education in Germany under National Socialism. For the first article, on "Antecedents of National Socialist Education" and "Education Before National Socialism", see BULLETIN of Oct. 22, 1944, p. 466; for the second article, on "National Socialist Education in Theory and Practice", see BULLETIN of Oct. 29, 1944, p. 511.

<sup>2</sup>Erich Jaensch, *Die Wissenschaft und die deutsche völkische Bewegung* (Marburg, 1933), pp. 4-9. G. Leibbrandt and E. Zechlin, "Weltpolitik und Wissenschaft", *Nationalsozialistische Monatshefte*, Dec. 1940.

the whole nation depends". The entire purpose of Nazi science was expressed most candidly by Professor Kahrstedt of Göttingen:

"We renounce international science. We renounce the international republic of learning. We renounce research for its own sake. We teach and learn medicine, not to increase the number of known microbes, but to keep the German people strong and healthy. We teach and learn history, not to say how things actually happened, but to instruct the German people from the past. We teach and learn the sciences, not to discover abstract laws, but to sharpen the implements of the German people in their competition with other peoples."

#### *Nazification of the Universities and Higher Schools*

*The Nazi View of Higher Learning.* The attitude of the Nazi regime toward Germany's world-famous universities and other institutions of higher learning was dictated by its conception of the role of education and science as outlined above. Despite the fact that the universities had remained distinctly reactionary under the Republic and had continued to recruit both student bodies and faculty personnel from upper-class conservative elements, Nazi educational leaders discovered ample grounds for attacking them. The university (in the words of student-Führer Dr. Schul) is "in constant danger of degenerating into a purely intellectual institution, whereas its true function is that of a training center".

There must be no dabbling in irrelevant knowledge; all research must contribute directly to the upbuilding of the nation. All work, even the most specialized, must rest upon the firm ground of a common *Weltanschauung*. So-called academic freedom was a sham since there could be no freedom to question truths historically conditioned by the imperatives of "folkish" existence. The "salon skepticism", the "pulpit nihilism" of teachers who felt no sense of responsibility to *Volk* and nation could no longer be tolerated. The aloofness of the universities from political life and the ivory-tower existence of the professor engrossed in his researches but indifferent to the vital needs of his students and of his nation were condemned.

The true function of the institution of advanced learning, training, and research in the National Socialist state was the furnishing of direction, leadership, and inspiration in the molding of those

students best qualified for high responsibility. The German university had never enrolled more than an exceedingly small percentage of the eligible age group, which by the Nazis was reduced still further. The last remnants of individualism were swept away, bringing to an end the "positivist cult of the intellect". Student and professor alike were to be deemed public functionaries performing essential national tasks. Research was to become directed investigation determined by the demands of a totalitarian society. The university must become *völkisch*, rooted in the national soil, serving the most vital interests of the nation.

*Administrative Reorganization.* German higher institutions of learning had traditionally been controlled by the appropriate state authorities (there were 23 universities and a total of 106 institutions of all types). These were all placed under the single authority of the Reich Ministry of Education and every vestige of particularist or state control was eliminated. Each university was reorganized in accord with the leader principle. The rector, formerly chosen by the faculty, was now appointed by the Minister of Education, as were also the deans presiding over the various faculties. All faculty appointments or promotions, formerly in the power of the faculty itself, were now subject to state control and required the approval of the Minister, who acted in consultation with high party officials. The entire instructional staff (*Dozentenschaft*) was coordinated under a leader appointed by the Ministry: the students (*Studentenschaft*) were similarly organized under a state-appointed student leader. The Ministry had the absolute right to demote, transfer, or dismiss faculty members. Student bodies were coordinated in a *Reichschaft* under a government-appointed leader. A *Studentenbund* of party members occupied a privileged status within the general student organization. The historic *Studentencorps* of the universities were liquidated, against persistent opposition, and every effort was made to promote the solidarity of the national student group and its sense of identity with the *Volk*. A special office was established for SA groups in the universities.

An elaborate system of controls has been set up for the selection of university teaching personnel. The former "habilitation" by the faculty, testing scientific competence, is retained, but additional requirements are imposed. The applicant for the

license to teach (*Dozentur*) must take a four-week training course "which is intended to familiarize him with the main questions of science and research in relation to the National Socialist Party and to develop his community spirit beyond that of mere faculty boundaries". He must serve in a community camp where his character traits and views come under the scrutiny of party officials. There, for six weeks, hard physical labor, common tasks, and simple fare are calculated to harden him and broaden his mental horizon beyond his own specialty. His qualifications as an inspiring leader of youth as well as his ability to impart scientific instruction are rigorously examined. As a university teacher he remains under the continuous observation of rector, deans, faculty, student leaders, and special party representatives.

*Decline in Enrolment.* The rapidly declining enrolment of students in higher institutions has been one of the most striking aspects of Nazi-controlled education. The approximate enrolment in all such institutions showed a decrease as follows:<sup>3</sup> 1933, 127,000; 1935, 77,000; 1939, 58,000. Decline has been most marked in the technical schools, least, in the schools of theology. The number of women in the schools by 1939 was little more than one third the pre-Nazi figure. The war, which closed many of the universities, has aggravated still further the decline. The *Frankfurter Zeitung* of December 3, 1941 estimated that Germany may expect a deficit of from 50,000 to 80,000 students in the next decade.

The reasons for reduced enrolments are various. In Germany in 1933, as elsewhere, the intellectual professions, particularly law and medicine, were seriously overcrowded. The annual demand for university graduates was less than half the number available. It is estimated that there was a reserve army of from 40,000 to 50,000 intellectual workers in 1933. In 1935 there were 6,411 judges and attorneys in the Reich, but there were an additional 5,542 qualified candidates for such posts. In Prussia in 1934 there were 2,649 applicants for 250 posts. The discontent and bitterness among this intellectual proletariat was one significant factor in the collapse of the Republic and the advent of National Socialism.

The Nazis undertook to remedy the situation through planned restriction and selection. The law of April 25, 1933 for combating the overcrowding of the higher schools established maximum quotas for all the states and provided for assistance

in securing employment for those persons excluded. By subsequent decrees selective tests for admission to the universities were to be of three types: physical-intellectual, moral-political, and racial. The criterion of admission became increasingly that of political rectitude and fitness for service to the state. Ultimately the quota system was eliminated; qualitative tests in the selection of candidates were relied upon entirely. Preference was given to party members and also, later, to those with a background of combat service. Maximum quotas were later set for the seven largest universities and technical schools located in metropolitan areas, but no restrictions were placed upon enrolments in other institutions located mainly in smaller towns—evidence again of the Nazi preference for the rural and village environment. A network of selective measures and institutions helped to eliminate those who were not qualified for higher education in the National Socialist sense; among these were the Land Year, the Labor Service, military service, a Reich vocational competition, a National Student Welfare Organization, and the youth organizations.

Another significant cause of reduced enrolments was the simple fact that the university was no longer the main road to a career. It had been bypassed by the party organizations. Economic considerations bar many students from the universities. Fees are high and scholarships few and inadequate, and not many students are self-supporting. The regime has failed, at least at the higher levels, to fulfil its promise to equalize educational opportunities. The requirements of two years of military service and a half-year in labor camp defer or eliminate a college education for many. Furthermore, reduced enrolments at the college age between 1933 and 1939 resulted from the decline in birthrates from 1914 to 1918. Moreover the disrepute of the intellectual under the Nazi regime and the enlisting of manpower and talent in activities which require little academic preparation have not created a situation favorable to increased college enrolments.

*Coordination of the Faculties.* A purge of the faculties of the higher institutions was inevitable in view of the attitude of the Nazis toward learning. They were hostile to the whole world of im-

<sup>3</sup> W. M. Kotschnig, *Unemployment in the Learned Professions* (London, 1937), pp. 206-207. *Deutsches Hochschulverzeichnis* (Berlin, 1935-38). William Ebenstein, *The Nazi State* (New York, 1943), p. 165.

partial and objective scholarship. The Nazi tendency to see in diversity of opinion disloyalty to the regime meant that any exponent of views considered unorthodox by the canon of National Socialist dogma was in danger. Although the Jews represented only about one percent of the population, members of that race occupied 12 percent of the university professorships. Any instructor tainted with Marxist or pacifist ideas was suspected. Warning was given that academic freedom was not to be used as a cloak for an aloofness or detachment (*Ungebundtheit*) which ignored the well-being of the National Socialist community.

Under the Civil Service Law of April 7, 1933, members of the teaching staffs of the universities and other collegiate institutions might be summarily removed for "non-Aryan" origin, unsatisfactory political records or views, membership in "subversive" organizations, or on grounds of administrative necessity. By May 4, according to reports in the German press, about 200 teachers had been dismissed, mostly because of their Jewish origin or liberal views.<sup>4</sup> This number included former ministers of state, world-famous scientists, historians, jurists, and two Nobel prize-winners. A year later, according to an estimate of the *London Times* (Apr. 18, 1934), 800 college and university teachers had been dismissed because of their Jewish blood. Other techniques than outright dismissal were frequently used, such as transfer to a smaller institution, denial of the right to teach certain lucrative courses (many German instructors are largely dependent financially upon course fees), or demotion and loss of status.

It is difficult to obtain reliable data on personnel changes in the German universities, but fairly trustworthy statistics are available to 1939. Hartshorne estimates that of a total teaching staff of 7,979 in all higher institutions in 1932-33, 1,145 had been dismissed by 1935. This figure does not include normal retirements or deaths.<sup>5</sup> Thus in two years about 14 percent of the staff had been dismissed on racial or political grounds. The

percentage of loss ranged from as high as 32.4 at Berlin to only 1.6 at Göttingen. As a rule the metropolitan universities suffered most severely. It is estimated that by 1936 over 21 percent of the faculty personnel had been eliminated for racial or political reasons; by 1939, according to official German statement, 45 percent of the teaching staff of all higher schools had been replaced either on political grounds or because of retirement.<sup>6</sup> Of this number probably two thirds represent arbitrary dismissals. Thus on the eve of the war approximately 2,300 scholars (about 30 percent of the pre-Nazi total) had been ousted, and almost one half of the teaching personnel had been replaced. Presumably by that time the others had given evidence of their loyalty to the regime—whether from conviction or from motives of expediency it is impossible to assert.

The position of the college or university teacher in Germany has become one of complete subordination to the regime. Incessant pressure is put upon him to participate in party functions (which, incidentally, monopolize much of the time and energy of his students), to subscribe for the official journals, to lecture at Land-Year camps and SA gatherings, to favor students who miss work because of party activity, and to refrain from making complaints except through official channels. He may be disciplined in innumerable and vexatious ways. His lectures may be canceled if they conflict with party functions. He may not travel abroad without official permission. His favorite seminar may be abolished. He may be transferred as a disciplinary measure. If he is retired his utterances are still to be officially approved. He may be excluded from important examining committees. Boycotts of his lectures may be engineered by the Nazi student organization. He may be attacked by party organs. His post may be placed in jeopardy by charges made by colleagues, students, and even menials. His courses may be "doctored" or their contents prescribed. In short, his position, security, and livelihood are completely dependent upon the zeal he displays in cooperating with the powers that now dominate the administration of the universities.

*Curricular Tendencies.* The curriculum in German colleges and universities has been modified mainly in two directions—greater stress on *Rassenkunde* (race science) and on *Wehrwissenschaft* (science of war). New chairs have been established in such fields as peasant lore, race science,

<sup>4</sup> *Manchester Guardian*, May 13, 1933.

<sup>5</sup> Edward Y. Hartshorne, *The German Universities and National Socialism* (Cambridge, 1937), pp. 87-95; "German Universities and the Government", *Annals of the American Academy of Political and Social Science*, Nov. 1938.

<sup>6</sup> Statement of Professor Meuzel, leader of the Office of Science in the Reich Ministry of Education, in *Frankfurter Zeitung*, May 31, 1939.

defense physics, and folk problems. All subjects are to be presented from the Nazi viewpoint; old courses are adapted to this end and all knowledge that is "useless" or *volksfremde* is to be eliminated. The autonomy of the universities with respect to determination of courses has been superseded by the formulation by the central Ministry of identical study plans in the various professional fields. These plans blend practical and ideological considerations. For instance, the state study plan for economics prescribes courses on German economic life, folklore, people and race, people and state, Germans abroad, injustice of the Versailles Treaty, the folk-community, and defense economics. Extreme political orientation tends to undermine speculative science. Rearmament has tended to reinvigorate the study of science along practical lines; the great theoretical innovators are viewed with distrust, although some of them (Planck, Heisenberg) have been retained in service. The social studies and the humanities are completely dominated by race science, in which subject the University of Berlin alone offers 30 seminars. Nazi mathematicians have founded a new journal, *Deutsche Mathematik*, to deal with their subject along racial lines. The party has financed at Frankfurt an Institute for the Investigation of the Jewish Question, designed as the first division of a Nazi high academy as a center of scientific study from the point of view of race. It is significant that the number of users of 18 leading university libraries dropped from 37,000 in 1932 to 16,000 in 1937; the average daily attendance dropped from 3,357 to 1,169. Books play a decreasingly important role in Nazi education. Virtually every course has been conscripted for war. A host of new subjects whose names contain the prefix "Wehr" have appeared, and "war philosophy" is the culminating science in the Nazi educational pattern. All doctoral dissertations, by decree of November 9, 1939, must be submitted to the Party Examining Committee for the Protection of National Socialist Literature for the elimination of any taint of "politico-ideological" heresy.

National Socialist policy toward higher learning did achieve a number of beneficial results. Admission was more effectively controlled so as to forestall professional unemployment; there was a gain in unity of goal and purpose; and the universities were more closely integrated with society and

state. These gains were far more than offset by the complete loss of academic freedom, the wholesale exodus of eminent scholars from the Reich, the perversion of science to racial and political ends, and the increasing isolation of German intellectual life from that of the rest of the world. Germany had seceded from the republic of learning. Thus there were immediate though dubious gains for the nation but far more significant losses to science and universal scholarship.

#### EXTRACURRICULAR EDUCATION OF THE NATION

##### *The Hitler Youth*

The Nazi totalitarian ideal as applied in the field of education does not stop with the schools but envisages the utilization of every social grouping and thought-molding agency to achieve its ends. It has been noted that both prior to and after the first World War the youth movement in Germany was becoming a significant educational force. National Socialism, itself essentially a movement of youth, immediately enlisted the youth organizations in its national enterprise, and through them it has endeavored to influence the social, recreational, and political life of youth outside the school. The *Hitler-Jugend* and the *Bund Deutscher Mädel* were established, open to boys from 10 to 18 and girls from 10 to 21. By 1936 all other sectarian and political youth organizations were dissolved and the entire youth of the Reich was brought within the Nazi orders. A smaller and more select group constituted a "Stock Hitler Youth" who were prepared especially for party activity and membership. The entire organization was unified in a rigid hierarchy under the control of a Reich youth leader. The organization is similar to that of the army, embracing as many as 14 levels or ranks and integrated by the leader principle.

The educational function of the youth organizations has been to supplement academic schooling by a broadly conceived program of physical and recreational training directed toward war activity and by political and cultural indoctrination. After-school hours and Saturdays are used for these purposes. The fundamental objective is the creation of attitudes—blind obedience to the regime, devotion to the leader principle, community consciousness, and war-mindedness. The youth hostels are extensively used for journeys intended to arouse a feeling of loyalty to the

unified fatherland. A love of Spartan living and a sense of comradeship are inculcated. Hitler has declared: "I want the German boy to be weatherproof, quick as a greyhound, tough as leather, hard as Krupp steel. We must educate a new species of man, lest our people succumb to the degenerative tendencies of the age."<sup>7</sup> The official youth organ of the Reich, *Wille und Macht*, has in recent issues included articles on the following significant topics: Sport and Politics, The German Infantry, France as Aggressor, National Socialist War Economy, Germans in the East, Our Living Space in Europe, A New Historical Consciousness, A Journey to the Front, Southeastern Europe and the German Spirit. The organization has continually extended its scope so as to embrace the whole field of interest and activity of each German youth. Its primary function is to train the prospective members of the party and to prepare a generation for active and whole-hearted participation in the new society, which since 1936 has meant a society geared to total war.

The failure of many of the nominal members of the youth organization to take an active part resulted in executive orders (Mar. 25, 1939) providing for the compulsory service of all youth from 10 to 18. General organization activities and also special duties relating to the war are required. For neglect to observe the law severe penalties, including imprisonment up to a period of three months, are imposed. There is evidence that violations are rather frequent. The attitude of youth, as well as the apparent resentment of many parents, indicates a significant growth of opposition to the government's attempt to regiment the younger generation completely in the service of the state.

### *Training for Leadership*

The chief responsibility for instilling political consciousness into the nation and for qualifying a selected elite for leadership is delegated to the party. It is an all-embracing educational organization, utilizing a great variety of techniques, such as mass meetings, parades, evening classes, sports, uniforms, and symbols, to mold the citizenry through vital experiences. Its innumerable branches and affiliated organizations com-

prehend or affect virtually the entire population. The skill of its leaders has been highly developed in the art of "educating" the masses through crowd manipulation and appeals to group sentiment, as in the great assemblages at the Reich sport stadium or the *Sportpalast* at Berlin or, before the war, at the "Party day" at Nuremberg.

Three types of schools for the development of future leaders have been set up under the exclusive control of the party:

1. *The Adolf Hitler Schools.* These schools, established in 1937, are 10 in number and are designed to train selected boys from 12 to 18 who are recruited from the ranks of the Hitler Youth. Scholastic background is unimportant; leadership traits are considered the prime essential. Successful graduation is the key to entrance to a university or professional school or to posts in the army or state or party bureaucracy. "Political orientation" is the essence of the course which centers around biological, racial, and "folkish" science. World affairs are presented from the party standpoint. The instructors are specially trained party leaders who are devoid of any academic background or experience. Only a few hundred boys are admitted to these schools each year.

2. *The National Political Institutes of Education.* These are Nazified versions of the old Prussian cadet schools. They are 31 in number and concentrate on preparation of leaders in the armed formations of the party, Storm Troopers and Elite Guards, or in the Labor Service camps. Their program, according to *Das Reich*, April 27, 1941, "is essentially centered around struggle and competition. Combat is the organ of selection in peace and war is the primary instrument of education in these institutions." The curriculum emphasizes physical training supplemented by Nazi indoctrination. Entrance is based on the results of rigorous selective tests, and the unfit are rapidly weeded out. The term is eight years, after which time graduates may enter a university, the state police, or posts in the armed formations of the party. A large number of these institutes, some of which have operated since 1933, have been added since the outbreak of war in 1939.

3. *The Order Castles (Ordensburgen).* Four of these have been set up for the purpose of de-

<sup>7</sup> Address to Hitler Youth at Nuremberg, Sept. 1935.

veloping a super-elite from the most select graduates of the other leadership schools. Admission must be preceded by two years of military service, one year of labor service, and one to three years of activity in youth and party organizations. Students concentrate first on racial and ideological "science", second on physical training, and finally on political education accompanied by the development of physical and military skills. The culminating year at Marienburg in East Prussia emphasizes the medieval conquest of the East by the Teutonic Knights and the predestined right of the master race to living space in the East at the expense of the native Slavic population.

In all these leadership schools the aim is not so much to educate as to develop a type and to train and condition youth for a specific task. Books and classroom methods play little part in the process. The totality of environment and experience is carefully adapted to the ends in view. It is too early to judge the results of such training. "Leaders" produced by these schools might function effectively within the Nazi scheme, but they would probably be lacking in initiative and in flexibility of mind if confronted by new and unfamiliar situations.

#### *The Labor Service*

By law of June 26, 1935 labor service, previously introduced under the Republic, was made compulsory for all males. More recently this requirement has been extended to women as well. A six-month period of work is required, generally in a rural camp or (for women) in the homes of peasants. There were 1,300 labor camps in 1938. The educational objective of the service is "to inculcate in the German youth a community spirit and a true concept of the dignity of work". It is, in a sense, a "back to the land" movement, similar in purpose to the Land Year. Love of nature and *Heimat*, physical development, character values, and a sense of patriotic collaboration in the service of the state are among the desired ends. It is an experiment in total education, forming youth to a specific bearing (*Haltung*) which combines the qualities of worker, peasant, and soldier. It is democratic in that no classes are exempt, but it is highly anti-individualistic in that free personality is suppressed. Here as everywhere under National Socialism every effort is made to inculcate in the German youth a sense of the solidarity of all Germans

(*Volksgenossen*) and to indoctrinate them in the tenets of the Nazi *Weltanschauung*.<sup>8</sup>

#### *"Strength Through Joy"*

The adult masses of Germany are regimented largely in the Labor Front, whose "Strength Through Joy" division superintends their leisure-time activities. Although mainly devoted to social and recreational interests, this organization has developed a comprehensive scheme of adult education. It conducts study courses of a vocational or cultural character and in many ways seeks to cultivate the interest and even active participation of the working people in drama, music, and the arts. Under its egis the German people with their bent for association have formed innumerable leagues and clubs devoted to various hobbies. Of most immediate educational significance is the taking-over of the People's Colleges, established under the Republic, which have been converted into propaganda units of the party. Conducted primarily as evening schools, they serve the purpose of indoctrinating in racial and "folkish" precepts the great number of adults who have not had the advantages of advanced schooling. Like all other institutions at the higher level they have been largely "politicalized" and have become ideological supports of the regime.

#### *The Propaganda Ministry*

The Nazi system for shaping the mass mind is an integral and vital part of the regime. The Ministry for Propaganda and Public Enlightenment, established in 1933, has carried into effect the ideas of Hitler and of its chief, Herr Goebbels, regarding the "enlightenment" of the German people.<sup>9</sup> These men deemed it essential that a revolutionary regime win over and mobilize for action the powerful force of public opinion. The Nazis have astutely realized that the present era is one of mass organization and force in the psychological and political as well as the economic fields. Propaganda to them is essentially psychological

<sup>8</sup> Wolfgang Schiebe, *Aufgabe und Aufbau des Reichs-arbeitsdienstes* (Leipzig, 1938), pp. 19-26. C. W. Guillebaud, *The Social Policy of Nazi Germany* (Cambridge, 1941), pp. 65-68.

<sup>9</sup> Hans Herma, "Goebbels' Conception of Propaganda", *Social Research*, May 1943, pp. 200-218. Wilhelm Höper, *Adolf Hitler, der Erzieher der Deutschen* (Breslau, 1934), pt. 1, pp. 85-87. Ebenstein, *op. cit.*, pp. 108-25. Hartshorne, *op. cit.*, pp. 28-35.

warfare. "Enlightenment" informs the masses by attacking and undermining erroneous beliefs and by supplanting them with passionately held convictions. Propaganda disseminates doctrine, wins new adherents, and converges upon a program of action. The Nazis have had considerable success in gaging the German mentality, its traditional attitudes and its emotional values.

The depressed, almost neurotic state of the German mind of the early thirties made easy the task of eliciting and manipulating emotional responses through the media of stereotypes and symbols. The goals have been to convert, to clarify insight, to strengthen community feeling, to spur the will, and to inflame to action.

The new Ministry was set up, in the words of Goebbels, "to serve the purpose of building the intellectual-spiritual foundation of our power and of capturing not only the apparatus of the state but the people as a whole". Although Hitler has expressed contempt for the intelligence of the masses and has openly advocated deliberate falsification of fact, Goebbels' concept is more subtle. He believes that truth, for the vast majority, rests upon the manner in which objective reality is presented to their minds. Hence propaganda must create a picture sufficiently distorted to suit the needs of policy but near enough to reality so that it may be later corroborated by events and thus verified. This kind of presentation requires adroit manipulation of facts and skilled management of attitudes and ideas. Propaganda must achieve "a ruthless and fanatically one-sided orientation". Objectivity weakens the will to action; all incompatible points of view other than the one relevant to a predetermined policy must be precluded. The educational objectives of Goebbels' policy, since they characterize all Nazi education to some degree, are worth stating. They are to achieve emotional involvement; the elimination of alternative choices other than the one offered; the exclusion of "frames of reference" other than the folk-community; the imposition of an egocentric conception of reality; the scientific building-up of the "psyche" of the people; the inhibition of the use of autonomous reason; and the substitution of action for thinking.

The Ministry has comprehensive jurisdiction over all opinion-forming agencies of the Reich except the schools. A Culture Chamber provides separate yet integrated units for the press, film, radio, theater, art, music, and literature. Within

these divisions are regimented all acceptable artists, writers, and practitioners of culture of the Reich, and only these are authorized to engage in their respective professions. In addition every activity or function calculated to influence the popular mind in any way is placed within the scope of the Ministry, which is made "competent to deal with all measures for mental influence upon the nation, the publicity for state, culture and business, the instruction of the public within and outside the nation concerning the above, and the administration of all devices that serve these purposes". In all matters the Minister has absolute administrative, legislative, and judicial authority.

In short, the Propaganda Ministry becomes a "national witch-doctor", relieving the populace of enervating worry about insoluble questions and organizing the collective will for the common task. It acts upon the maxim "what cannot be coordinated must be eliminated". Its success has blighted creative thought and cultural activity—in Germany, especially, always fertilized by foreign contact—and has powerfully reenforced the introvert tendencies of German thinking. But it has achieved its primary purpose by consolidating the national will in support of the political objectives of the Nazi regime.

### Evaluation

The changes effected in the German educational system by the National Socialist regime represent an attempt on the part of a revolutionary group to achieve total control over the national mind in the interests of the "folkish state" and its military objectives. Perhaps never has there been a more conspicuous instance of the neglect of values intrinsic to true education and of the subordination of schooling to ulterior objectives.

Nazi policy even prior to the war was rapidly depleting the ranks of the teaching profession. By 1939 the German press was reporting 3,000 vacant teaching posts in Prussia alone; the universities and training schools were preparing only 2,500 candidates a year for 8,000 posts to be filled annually. Nazi anti-intellectualism has brought the scholarly professions into disrepute, and the co-ordination of schools, universities, and all cultural agencies has had a devastating effect upon creative cultural activity. Many of Germany's most eminent scholars, writers, and artists have emigrated,

voluntarily or by compulsion, while those that remained have been hedged about with restrictions which, with a few rare exceptions, have permitted little freedom of action.

The war has had a destructive effect upon the schools. It has meant shorter hours and lowered standards. Thousands of children receive only part-time schooling. War work occupies much of the time even of younger children. More than ever education has been militarized. More recently the bombing of German cities has seriously interfered with the maintenance of schooling in some areas. The shortage of textbooks is universally felt. The supply of qualified teachers is totally inadequate—many are now teaching who lack proper credentials, and subjects are often dropped for lack of competent personnel. So few were the candidates for teacher training that in 1941 the newly established *Hochschulen für Lehrerbildung* were supplanted by *Lehrerbildungsanstalten*, which dropped all pretense of university standards and provided for a five-year course beyond the eight years of the elementary- and middle-school period. These would provide a minimum of special and professional training, highly “politicalized” and with little attention to general or cultural background. The work of the schools at all levels as well as the extracurricular training of youth is more than ever influenced by the national emergency and is subordinated to the war effort.

The universities, most of which were closed at the outbreak of war, have reopened and, according to recent reports of the German press, in 1943 enrolled 80,000 students, a substantial increase over 1939. However, many of these are members of the armed forces on special furlough. Few students are able to devote full time to academic pursuits. The student disorders at the University of Munich in February 1943, in which three leaders were arrested, tried on charges of “giving comfort to the enemy”, and guillotined, seem to indicate a spirit of revolt among the younger generation and a sense of disillusionment with Nazi war objectives. The force of this sentiment is difficult to gage with accuracy at this time, but there are indications that it is wide-spread.

The balance-sheet of Nazi education may be briefly presented, with the qualification that all points are definitely controversial.<sup>10</sup> To its credit are the following: More adequate emphasis on

physical training and skills and upon the role of labor in the educational process; an attempt to root education in the folk-life of the nation; a somewhat greater degree of educational opportunity for talented youth regardless of social status; training of will and character and channelizing of individual energies into community service; systematic selection and training for leadership; and the expansion of adult education, especially through party and Labor Front organizations.

To its discredit stand the following: Denial of free inquiry; complete indoctrination and “thought control”; neglect of cultural and intellectual values; deliberate misinformation through the distorted teaching of history, science, and racial concepts; inculcation of false or unethical ideals; undue subordination of all instruction to the objectives of total war; and insulation of the German mind against all foreign and cosmopolitan influences.

Nazi educational reform has undoubtedly achieved a certain spectacular if temporary success in attaining the goals set for itself. This success has been due in part to the crisis in German life and thought which marked the inter-war period and to the failure of a liberal-democratic leadership to emerge capable of inspiring and mobilizing German spiritual energy in the task of national rehabilitation. It has been due even more to the acumen of Nazi leaders in fashioning a system well adapted not only to the crisis but also to ingrained German cultural traits and ways of thinking. It is open to serious question, however, whether such a system can, or could, even under more favorable circumstances, withstand the test of time. Its more creditable features are not original and were embodied to some degree in the Weimar school system. Its more aggressive traits are obviously the corollary of crisis government and adapted only to an emergency situation. Its ethnocentric excesses and its repudiation of universal values of time-tested validity may well result in its speedy collapse, once the special circumstances that engendered this latest German revolt against the ethos of the West no longer exist.

<sup>10</sup> Based in part on a memorandum, “Postwar Educational Reconstruction in Germany”, by B. Q. Morgan and associates in the department of German, Stanford University.

# Retirement of Homer M. Byington From the Foreign Service

Remarks by THE ACTING SECRETARY OF STATE<sup>1</sup>

[Released to the press November 2]

Mr. Byington and my colleagues in the Department and in the Foreign Service:

It is a great honor this afternoon to share in this tribute to Mr. Homer M. Byington. From every aspect he heads the Foreign Service List. His lifetime reflects the highest ideals of our Foreign Service: advancement by merit; assignments faithfully discharged to the lasting credit of the United States at posts throughout the world; a full share in guidance to the Service; a lifetime of devotion to duty. You must always be proud, Mr. Byington, of your decision in 1897 to join the Service.

The best possible recognition of your contributions of forty-seven years to the Service would be an assurance for the future, an assurance that plans are under way to meet the ever-increasing responsibilities of the Foreign Service, that they are such as to add further strength to the organization you in such great measure have helped to build.

During the coming years, our Government's representation abroad must be equipped to meet tremendous assignments ahead. It must be vigorous, intelligent, and manned for the task. This responsibility has not been overlooked. As a former Chief of Foreign Service Personnel, I know that you must have given this problem the most careful consideration. I have myself given the matter much attention and consideration. Study has been devoted to requirements and ways and means of improving the Foreign Service. A program is coming into focus based on our experience in meeting the demands of war, a program attuned to new international responsibilities of peace.

There can be little disagreement on the main problems of our Foreign Service.

We need more men. I am confident that when the problem is put frankly before the Congress the necessary funds will be appropriated to the De-

partment to carry through speedily a successful recruitment program. We shall draw extensively upon the fighting men who are now in our military forces. They deserve heavy representation in the Department that will maintain the peace.

We need some mature men, particularly for specialized Service jobs. For this purpose we should perfect an orderly scheme of drawing talent from the Federal Government for temporary assignments in today's complex foreign relations.

We need talent from civil life. Just as the Army and Navy drew upon reserve officers in the hour of crisis, we in the Foreign Service may need a reserve corps wherein prestige will help to enlist ability.

We must increase the interchange of personnel between the Foreign Service and the Department. Such an interchange, extended to all branches of the Department and the Foreign Service, will enhance mutual understanding of our common responsibilities.

In all this we must safeguard the career principle. On the basis of your intimate and mature knowledge of the Foreign Service and its problems, I know you will agree with me that our tested organization must be the nucleus of expansion. Morale will be fortified and recruitment facilitated by speeding up the machinery for promotions, by better evaluation and recognition of work well done, by making top diplomatic posts available to men without private means, by opening assignments of responsibility to men of ability while they are still young.

We must continue to improve operating conditions overseas. This means better offices and better equipment. It means realistic living allowances. We should never require men to choose between skimping on the responsibilities of their assignments or neglecting their personal and family requirements.

Out of the fullness of your experience, Mr. Byington, I know that you fully appreciate the necessity for these improvements and that you will welcome the efforts being made to bring about

<sup>1</sup> Delivered at a reception given by the Foreign Service Association in honor of Consul General Homer M. Byington on the occasion of his retirement after 47 years in the Foreign Service.

these improvements. In your case, your Government has demanded your talents and devotion for a lifetime. These you have given in full measure. In addition, you and your wife have given one son to the Foreign Service, a young man whom I see every day and in whom I have great confidence; another to American civil aviation abroad; another to the Naval Academy; one daughter honored by a doctor's degree in her teaching of languages; two daughters who are mothers of families, one of whom awaits her husband's return from the Pacific theater of war.

It is my great privilege now, in behalf of my associates in the Department and in the Foreign Service, to hand you three gifts in commemoration of your outstanding contribution to the Service. They are evidence of our profound esteem—a silver tray engraved with the affection and admiration of your colleagues and friends in the Department; these goblets for a toast to your health and continued happiness; this testimonial of our respect and good wishes always to you and Mrs. Byington.

## Birthday of Generalissimo Chiang Kai-shek

[Released to the press November 3]

President Roosevelt has sent the following telegram to His Excellency Generalissimo Chiang Kai-shek, President of the National Government of the Republic of China, on the occasion of the Generalissimo's birthday:

OCTOBER 31, 1944

It gives me great pleasure to extend, on this the anniversary of your birthday, my warm good wishes to you for your health and for the well-being of the people of China.

FRANKLIN D. ROOSEVELT

## Anniversary of the Independence of Panama

[Released to the press November 3]

President Roosevelt has sent the following telegram to His Excellency Ricardo Adolfo de la Guardia, President of the Republic of Panama, on the occasion of the anniversary of the independence of Panama:

NOVEMBER 3, 1944.

It gives me great pleasure upon this national anniversary of Panama to join with the people of the United States in sending to you and to the people of Panama congratulations and best wishes.

I take this opportunity to express my confidence that the success which has attended the cooperative efforts of our two countries in the cause of the United Nations will continue to our mutual benefit in the difficult times which lie ahead.

FRANKLIN D. ROOSEVELT

### THE FOREIGN SERVICE

#### Diplomatic and Consular Offices

The American Embassy at Athens, Greece, was reestablished as a combined office on October 27, 1944.

The American Consulate at Gibraltar was reopened to the public on November 1, 1944.

### PUBLICATIONS

#### DEPARTMENT OF STATE

**Jurisdiction Over Prizes:** Agreement between the United States of America and Canada, and Proclamation—Agreement effected by exchange of notes signed at Washington May 24 and August 13, 1943. Executive Agreement Series 394. Publication 2196. 9 pp. 5¢.

**Jurisdiction Over Prizes:** Agreement between the United States of America and the United Kingdom of Great Britain and Northern Ireland, and Proclamation—Agreement effected by exchange of notes signed at London October 1 and November 3, 1942. Executive Agreement Series 393. Publication 2199. 7 pp. 5¢.

#### OTHER GOVERNMENT AGENCIES

The articles listed below will be found in the November 4 issue of the Department of Commerce publication entitled *Foreign Commerce Weekly*, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Swedish Industries' Trends in War-time", based on a report by Harold Carlson, vice consul, American Legation, Stockholm.

"Sweden Needs Fishnets and Finds Supply Scarce", based on a report by Harold Carlson, vice consul, American Legation, Stockholm, and Margaret Wambans, Bureau of Foreign and Domestic Commerce, Department of Commerce.

## TREATY INFORMATION

### Customs Union, Belgium, Luxembourg, and the Netherlands

The American Embassy near the Belgian Government at London transmitted to the Department, with a despatch of September 12, 1944, a copy of the text of a convention between Belgium, Luxembourg, and the Netherlands relating to a customs union, signed at London on September 5, 1944. The convention provides that it shall come into force eight days after the exchange of ratifications and that, pending the exchange of ratifications, the convention shall come into effect provisionally as soon as the Belgian and Netherlands Governments are reinstated in their territories.

### Commercial "Modus Vivendi", Venezuela and Brazil

The American Embassy at Caracas transmitted to the Department, with a despatch of October 2, 1944, a copy of an exchange of notes signed at Caracas on September 27, 1944, effecting a further renewal for one year from September 27, 1944 of the commercial *modus vivendi* between Venezuela and Brazil concluded on June 11, 1940. The notes of September 27, 1944 are published in the Venezuelan *Gaceta Oficial* No. 21,522 of September 28, 1944.

## THE DEPARTMENT

### Appointment of Officers

James H. Wright as Chief of the Division of North and West Coast Affairs, effective October 16, 1944. Mr. Wright will continue as Assistant to the Director of the Office of American Republic Affairs.

#### PAN AMERICAN UNION—Continued from page 550

that goal. His faith owes much to his association with his colleagues on this Board and to the warm friendships he has enjoyed with other statesmen of your countries. The record of Pan American relations, in which the members of this Board have played so important a part, has demonstrated that even the gravest problems which nations must face in the changing current of world affairs can be solved if intelligent thought is applied in a spirit of honesty, mutual respect, and good-will. That fact is of the greatest significance to the world today.

Gentlemen, I thank you again for the honor you have bestowed upon my Government and our Secretary of State. It is an honor received with a deep sense of the responsibility involved but with a profound confidence that our cooperative effort will lead us to ever greater achievements.

# THE DEPARTMENT OF STATE BULLETIN

VOL. XI, NO. 281

NOVEMBER 12, 1944

## *In this issue*

CERTAIN NEW INSTRUMENTALITIES FOR ECONOMIC DEVELOPMENT IN THE SOUTH AMERICAN REPUBLICS

*Article by William Yale*

KOREA: INTERNAL POLITICAL STRUCTURE

*Article by Hugh Borton*



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*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

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# Discussions of Dumbarton Oaks Proposals

## Meeting of Representatives of American Republics and Department of State

[Released to the press November 9]

On the afternoon of November 9 there was held in the Department of State another meeting of the heads of mission of the American republics in Washington with officials of the Department of State, headed by the Acting Secretary of State, Edward R. Stettinius, Jr. The purpose of the meeting was to continue the exchange of comments on the Dumbarton Oaks proposals.<sup>1</sup>

Following the meeting the Acting Secretary of State said:

"We met today with the heads of mission of the American republics for the purpose of further exchange of comments on the Dumbarton Oaks proposals. We had a most fruitful discussion, and we are encouraged by the support that the American republics are showing for the basic ideas embodied in the Dumbarton Oaks proposals. We received assurances today that all the American republics are giving careful study to the proposals and are going to bring their comments to the group. Some of the heads of mission have already placed the views of their governments before the group."

## Meeting of Representatives of Peace-Study Groups<sup>2</sup>

{Address by BENJAMIN GERIG<sup>3</sup>

[Released to the press November 10]

I welcome this opportunity to consider with you some aspects of the Dumbarton Oaks proposals, more particularly as the groups represented here today approach the great question of world organization with a long background of experience and with a sincere desire to assist in finding an effective way to develop enduring peaceful international relations.

The Department of State has followed with close attention the splendid work which has for years been carried forward by your several organizations in the field of education and as regards the principles which must guide any successful program for good understanding among nations on which peace depends. The Carnegie Endowment for International Peace and the Commission To Study the Organization of Peace have produced

many objective and incisive studies in the field of international organization and law, which have been of the greatest value to all students of the subject. The League of Nations Association and the National Peace Conference have in their several ways sought to disseminate an understanding of the principles which should underlie successful international cooperation, while the Church Peace Union and the World Alliance for International

<sup>1</sup> BULLETIN of Oct. 29, 1944, p. 525.

<sup>2</sup> Meeting of the Commission To Study the Organization of Peace, the Church Peace Union, and the National Peace Conference in cooperation with the World Alliance for International Friendship Through the Churches, the League of Nations Association, and the Carnegie Endowment for International Peace held in New York, N. Y., Friday, Nov. 10, 1944.

<sup>3</sup> Mr. Gerig is Associate Chief of the Division of International Security and Organization, Office of Special Political Affairs, Department of State.

Friendship Through the Churches both at home and abroad have for years upheld without sectarian bias those moral and religious standards without which mankind cannot live on a plane of mutual cooperation and respect.

The Dumbarton Oaks proposals are relatively simple in form and brief in content, but I think you will find in them a reflection of many of the principles and proposals which have been urged upon American attention by your own groups over recent years. It is true, of course, that when streams of thought and experience coming from different nations and peoples must be taken into account none of us will find in such a composite document all the points to which we may severally have attached great importance. The Dumbarton Oaks proposals represent, as Secretary Hull rightly said, "the highest common denominator rather than the plan of any one nation".

I think you will not wish me to attempt any detailed exposition of the document as it now stands nor to discuss in any detail those open questions which still remain under consideration before the completed document is formally and officially submitted to the various governments prior to the forthcoming international conference. It might be more profitable if we consider together several of the major features of the proposals which have emerged in the discussion of the proposals since they have been before the public.

First of all, I would like to stress the essentially democratic character of the proposed international organization. I realize that there is some discussion that in one major respect the Organization, by reason of the fact that very special and heavy responsibilities for the maintenance of peace and security are laid upon the great powers, departs from this democratic basis. I believe, however, that a closer examination of the proposals will lead one to a different conclusion.

The maintenance of security must inevitably be a special responsibility of those states which have the capacity and the will to contribute effectively to it. The Security Council, therefore, would be organized in such a way that enforcement action may be taken promptly and effectively. The special powers conferred upon the Security Council, and in particular upon the members capable of exercising them, are clearly defined and limited. The functions of the proposed Security Council

should not be compared with the functions of the League of Nations Council, which covered a much wider field. It should be noted that action by the Security Council would require discussion among all its members and would be based upon a decision which—no matter how the voting question is settled—would almost certainly require the assent of some of the non-permanent members who would be elected by the General Assembly. Moreover, the action of the Security Council is not one of complete freedom; it would be obligated to act in accordance with the principles and purposes laid down in the Charter. The place of the permanent members of the Security Council, therefore, is not one of *domination* but rather one of *leadership and responsibility* flowing from the position of these powers in the world.

There is some discussion to the effect that the proposed Organization would be more democratic if a weighted voting system were adopted in the General Assembly. This, however, would have the effect of emphasizing the position of the great powers not only in the Security Council but also in the General Assembly, thus accentuating in some degree the difference between great and small powers.

A second feature of the Dumbarton Oaks proposals to which I should like to refer is the proposed security arrangements. The experience of the inter-war period, together with the experience of the United Nations in conducting the present war to a successful conclusion, was fully taken into account in developing these arrangements. I think it will be generally agreed that in the Dumbarton Oaks proposals the security machinery is much more fully developed and laid out in a more detailed and well-defined manner than in any previous plan. Promptness of action is rendered more likely by placing responsibility for action in one organ alone without the possibility of shifting it to another venue, as for example the General Assembly.

Furthermore, in developing a Military Staff Committee composed of the Chiefs of Staff of the permanent members of the Security Council there is an extension of the experience which has proved, even in a limited way, to be so successful in this war. And finally, by making it possible

to utilize regional arrangements or agencies for enforcement action taken under the authority of the Security Council, there is a further promise that the security objectives of the new proposals can be more successfully and efficiently carried into effect.

An additional feature of the security arrangements of the proposed Organization is the proposal that all the members of the Organization should, by special agreement, undertake to make available at the call of the Security Council armed forces, facilities, and other assistance, and that in particular national air-force contingents should be held immediately available for combined international enforcement action when an emergency arises. The philosophy behind this proposal is that armed force should become the strong arm of the universal will to peace, available for the protection of all peace-loving states, rather than something which in itself is objectionable and to be dispensed with; hence the emphasis on the regulation of armaments, with a definite anticipation that this arrangement should and would result in the maintenance of international peace and security "with the least diversion of the world's human and economic resources for armaments".

All this security action is, of course, based on the principle that all members of the Organization shall settle their disputes by peaceful means and shall refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the Organization.

A third feature of the Dumbarton Oaks proposals is the wide scope which is given to machinery and activity for the creation of the conditions which in the longer view will make for greater prosperity and well-being and thus take away the occasion for war. Repressive measures alone would not appeal to the moral conscience or the intelligence of mankind. Positive and constructive forms of international cooperation for the benefit of all have long been regarded by all the principal faiths of the world as essential to an orderly and civilized world.

While responsibility for maintaining peace is equally shared by all states, not all states are in an equal position to discharge this responsibility for the maintenance of peace and security. But when it comes to facilitating solutions of economic,

social, and other humanitarian problems, particularly in the field of educational and cultural activity, the distinction between large capacity and power and smaller capacity and power tends to disappear. In the world of economics, of science, and of education contributions do not correspond with the size or power of states.

In the proposed plan the General Assembly, where all states are represented, is given the function—which in the longer view is likely to be the most important constructive function within the scope of the Organization—of considering and making recommendations for the purpose of promoting international cooperation in political, economic, and social fields and of adjusting situations likely to impair the general welfare. I think you will agree that this function of wide range and effect opens up a vista of usefulness which is almost unlimited. In carrying out this responsibility the General Assembly would make recommendations for the coordination of the policies of economic, social, and other specialized agencies brought into relation with the Organization. Here may be seen an activity which in a world of peace and stability would enable mankind to attain standards of health, well-being, and general advancement such as the world has never seen.

As an instrument for giving effect to this great field of activity there would be established the Economic and Social Council of 18 states-members, elected by the General Assembly. Here may be seen an extension and development of the efforts that had been made just prior to the war by the so-called Bruce Committee, which recommended on the basis of experience and world needs that certain steps in this direction be taken by the League of Nations.

This Economic and Social Council would not only carry out recommendations of the General Assembly but also on its own initiative would make recommendations with respect to international economic, social, and other humanitarian activities. It would receive and consider reports from all the various specialized agencies brought into relationship with the Organization and would make recommendations for the coordination of their activities whenever it would be in the general interest.

All this economic and social activity is appropriately recommendatory rather than executive in

character. When all the states, through common action in the General Assembly, and when 18 governments send their most highly qualified representatives to the Economic and Social Council to consider these questions in their widest implications, it is clear that the recommendations issuing from such bodies would carry the greatest weight among all the governments of the world.

As my fourth and last point I should like to call your attention to a phrase which will deserve your steadfast interest, namely, that the Organization should "promote respect for human rights and fundamental freedoms." All the churchmen in this audience will be fully aware of the far-reaching implications of these few but pregnant words. It has now become apparent to almost everyone that the present conflict is, in a very important degree, the result of a denial of those human rights and fundamental freedoms without which political liberty and the human conscience must ever be stultified. Territorial considerations will have their important place in the eventual peace settlements, but who can doubt that such a peace would be ephemeral so long as human beings were denied those rights and freedoms which are necessary to life itself and which we, as Americans, will always regard as the very basis of our national existence?

The implementation of this provision will be slow and undoubtedly difficult, and it would be impossible to forecast at this time all the ways and means for carrying it into effect. Its implementation must vary according to circumstances and places. States are rightly jealous of their domestic jurisdiction. The experience of the League of Nations with the minorities treaties shows how difficult it is to apply regulations which are not by treaty universally applicable. The American Law Institute in this country has attempted to foreshadow the content of what might be called an international "Bill of Rights" by which minimum standards might be agreed to by all subscribing nations. The determination of the best machinery for the application of this principle is left for the future, but just as some of the sentiments in the Preamble of the Constitution of the United States proved to be so far-reaching in our history, so it may well be that the doctrine of promoting respect for human rights and fundamental freedoms may emerge as one of the chief cornerstones of the new edifice.

Mr. Chairman, I should like to say just a word about the spirit in which the Dumbarton Oaks conversations were conducted. The British, Soviet, and Chinese Delegations exhibited the finest spirit of cooperation, always trying to find practicable, working solutions susceptible of winning the widest degree of assent. There was no evidence of an attempt to score points which would embarrass other governments but rather a sincere desire to make possible the establishment of an effective international organization, conscious that the prosperity and even the destiny of their nations depended upon its success. It was because of this spirit that the President was able to express his satisfaction "that so much could have been accomplished on so difficult a subject in so short a time". If other governments and peoples will approach this subject in the same spirit of cooperation and accommodation there can be no doubt that the high hopes of the peoples of the world can be realized in the establishment of the Organization, and, if the public will and determination do not flag, there also can be no doubt that this great instrumentality will faithfully serve its high purposes.

## Recognition of Guatemalan Government

[Released to the press November 7]

The Acting Secretary of State, Edward R. Stettinius, Jr., announced on the afternoon of November 7 that the Government of the United States would extend recognition to the Government of Guatemala on that day.

The American Ambassador in Guatemala City was to call on the new Minister for Foreign Affairs of Guatemala at 5 p.m., Guatemala time (7 p.m., E.W.T.), November 7, to inform him of this action by the Government of the United States. It is understood that many other American republics are taking similar action following full consultation and exchange of information pursuant to resolution XXII of the Committee for Political Defense at Montevideo.

# Anniversary of the Founding of the Soviet Union

## MESSAGE OF PRESIDENT ROOSEVELT TO THE PRESIDENT OF THE PRESIDUM<sup>1</sup>

[Released to the press November 6]

NOVEMBER 6, 1944.

It gives me great pleasure on this national anniversary of the Union of Soviet Socialist Republics to send greetings to you and to the people of the Soviet Union.

At this fateful time when the Red Army and the armies of the United States and other United Nations are fighting on German soil, we can look forward with even greater confidence to the early defeat of the Nazi aggressors and the attainment of our common goal—a durable and just peace and a continuance of close collaboration between all the United Nations.

FRANKLIN D. ROOSEVELT

## MESSAGE OF THE ACTING SECRETARY OF STATE TO THE PEOPLE'S COMMISSAR FOR FOREIGN AFFAIRS<sup>2</sup>

[Released to the press November 6]

NOVEMBER 6, 1944.

On this the twenty-seventh anniversary of the founding of the Union of Soviet Socialist Republics, may I express on behalf of Secretary Hull and myself sincere felicitations to you. We may all look forward with full confidence to an early victory over the Nazi barbarians and the establishment of an enduring and just peace built upon the firm foundations of cooperation and mutual understanding which have been wrought so firmly in the crucible of war.

STETTINIUS

# Anniversary of UNRRA

## LETTER FROM THE PRESIDENT TO HERBERT H. LEHMAN<sup>3</sup>

[Released to the press by the White House November 9]

On the first anniversary of the creation of UNRRA, I wish to send to you and to the members of your staff my warmest congratulations on the great progress which you have made during this last year in preparing for the tremendous tasks ahead and my renewed good wishes for the successful fulfillment of your noble undertaking.

I and the other responsible officials of this Government have watched with keenest interest the development of UNRRA from the signing of the Agreement in the White House last November 9 to the present moment when UNRRA men and women are actually engaged in bringing hard-won assistance to the gallant people of Greece. This Government has endeavored in every way to support you and your staff to the fullest limit of our ability. This has not always been an easy

task in the face of the pressing and staggering demands which the fighting of a deadly war on many fronts has placed and will continue to place upon our resources of manpower, of supplies and of transportation. But we are determined that the sacrifices of the liberated peoples shall be rewarded and that, to the extent we have it in our power to help, these people shall promptly receive the clothing, food, and other supplies which they need to start life over.

I am confident that your inspiring leadership, together with the cooperation of the member governments, will result in making UNRRA an enduring example of international cooperation in action.

<sup>1</sup> Mikhail Kalinin is President of the Presidium of the Supreme Soviet of the U.S.S.R.

<sup>2</sup> V. M. Molotov is People's Commissar for Foreign Affairs of the U.S.S.R.

<sup>3</sup> Director General of the United Nations Relief and Rehabilitation Administration

# Death of the Ambassador of Turkey

## TELEGRAM FROM PRESIDENT ROOSEVELT TO THE PRESIDENT OF TURKEY

[Released to the press November 11]

I send you my sincerest condolences in connection with the death of your Ambassador to this country and personal friend, Mehmet Münir Ertegün. You must be proud of his able record here and the officials of this Government who have learned to appreciate Ambassador Ertegün's personal integrity and noble and kindly spirit share in your loss. It is with particular sadness that I send to you, and through you to the Government and to the people of Turkey, the deep regret of my country upon the death of such a distinguished Turkish citizen and public servant.

## TELEGRAM FROM THE ACTING SECRETARY OF STATE TO THE TURKISH MINISTER OF FOREIGN AFFAIRS<sup>1</sup>

[Released to the press November 11]

On behalf of Secretary Hull and myself I send you our deepest sympathy. The death of Mehmet Münir Ertegün has filled us with a sincere and deep sorrow, a sorrow which we share with his hundreds of friends in this country. His kindly and noble spirit and his great ability have given him a beloved position both in and out of Government circles. His loss will not be forgotten. For more than ten years he has represented Turkish interests in the United States with skill and honesty and all of us in the Department of State will miss his many high qualities.

## STATEMENT BY THE ACTING SECRETARY OF STATE

[Released to the press November 11]

I have just returned from a call at the Turkish Embassy to express my sincere condolences to the family and staff of the late Turkish Ambassador, His Excellency Mehmet Münir Ertegün, who died this morning. I am speaking for all of his many friends in the Department of State when I say that his death has filled us with a deep sense of personal loss.

For more than 10 years Ambassador Ertegün, or Münir Bey, as he was known to his many intimate friends, has ably represented the interests of Turkey in the United States, and his invariably fair dealings and high personal integrity, his great personal charm, and his unflinching cooperation have given him an almost unique place among the diplomats in Washington. Since the death of the Peruvian Ambassador last April, he has been the distinguished Dean of the Diplomatic Corps. His kindly spirit, illuminated by his conviction that the nations in the world not only should but could follow the way of peace, will not be forgotten. He must have taken considerable satisfaction in the fact that American-Turkish relations have been most cordial throughout his tour of duty in this country.

In the death of Ambassador Ertegün the Republic of Turkey has lost one of its most able public servants.

# Destruction by the Nazis in the Netherlands

## MESSAGE FROM THE PRESIDENT TO QUEEN WILHELMINA OF THE NETHERLANDS

[Released to the press November 9]

NOVEMBER 9, 1944.

I have been inexpressibly shocked by the reports which have reached me of the savage and willful destruction being carried out by the Nazi

barbarians in the Netherlands. I am confident, however, that the blows being struck by our united forces will soon result in the total liberation of your country and in the meantime you may be sure that all possible steps are being taken to ensure that relief will be made available to the people of the Netherlands.

<sup>1</sup> His Excellency Hasan Saka.

FRANKLIN D. ROOSEVELT

# Certain New Instrumentalities for Economic Development in the South American Republics

By WILLIAM YALE<sup>1</sup>

During the past five years new types of financial and managerial organizations to deal with the problems of economic development have been evolved in the South American republics.

The *fomento* (development) organizations created in South American countries, at times with the cooperation of the United States, are not sufficiently well known. Consequently, the future potentialities of this type of organization remain unknown to those interested in similar economic problems in other countries.

The South American *fomentos* are in the process of modifying the ways in which foreign capital has been invested in South American countries since the middle of the nineteenth century. A planned and rational development of the natural resources and potentialities of countries whose economies are not fully developed did not result from the traditional form of economic imperialism. Under it, on the contrary, capital which was invested in such countries, although it brought substantial but limited benefits, did not lead to a well-considered economic development. In some cases capital was lent to governments to carry out public works, to balance the budget, or for unspecified purposes. In other cases capital was lent to municipalities and to private companies. Frequently those who made the loans had no other interest than in floating bond and stock issues at a considerable profit. Often high discount and interest rates were charged, and in some cases graft and corruption were concomitants of the transactions. Much capital was dissipated without creating tangible benefits to the countries involved.

Although directly invested capital was often soundly and wisely invested, it was usually employed to develop some specific natural resource or to create some one specialized industry or type of agriculture. Such investments were generally made for the sole purpose of enriching the creditor. Foreign capital invested in countries with undeveloped economies has not been interested, nor has it been employed, under the traditional forms

of foreign investment, in bringing about the general, well-rounded economic development of such countries. Nevertheless, certain large American corporations with important investments in foreign countries have made considerable contributions to the social welfare and economic well-being of their workers and to the immediate communities in which they operate. The *fomento* organizations, on the contrary, are changing the emphasis from limited development, through the exploitation of exceedingly profitable undertakings, to general development for the improvement of basic economic conditions. The *fomento* organizations are designed to provide financial, managerial, and operational instrumentalities which will assure security and a reasonable return on investments to foreign and local investors, and, at the same time, to make possible a rational and planned all-round development of the economic resources and potentialities of the countries in which investments are made.

The *fomento* organizations in considerable measure free those charged with implementing a development program from political pressures and interference. They provide the instruments by which commercial methods may be employed in carrying out development projects efficiently and wisely under the supervision of skilled technicians. Furthermore, the South American *fomento* organizations tend to facilitate the purchase of foreign machinery and supplies and to provide the means of securing prompt and full payment for such materials exported to the recipient countries. The *fomentos* are used to assist private enterprise and to encourage private capital to participate in the general program of national economic development. They serve in a capacity similar to that of a national chamber of commerce, for the purpose of inducing domestic and foreign capital to invest in new industries for which the *fomentos* provide financial assistance.

<sup>1</sup> Mr. Yale is Area Specialist in the Near Eastern and African Branch of the Division of Territorial Studies, Office of Special Political Affairs, Department of State.

In other parts of the world the political and economic leaders of countries with weak economic systems might study with considerable profit the structure and functioning of the *fomento* organizations of the South American republics. They could thus determine in what ways the *fomento* type of organization might best be adapted to meet the needs of their own countries. By employing the *fomento* method small countries with undeveloped economic systems might avoid the possibility of falling under the economic domination and political control of powerful states. Such small countries might thus improve considerably the economic well-being of their people and the financial stability of their governments.

### THE FOMENTO ORGANIZATIONS

The idea of a *fomento* or development corporation originated in Chile in 1939. To meet the national emergency resulting from the devastating earthquake of January 1939 the Chilean Government created the Chilean Fomento Corporation, which was soon adapted to carry out a broad program of economic development. The outbreak of the war in the summer of 1939 sharply revealed the weaknesses in the economic structure of some of the South American countries. The result was that some South American governments initiated plans for long-range economic development.

Several South American republics organized development corporations or development commissions to meet the war situation. The Colombian Government lent its financial support to the Instituto de Fomento Industrial, which was established in June 1940. The Ecuadoran Government organized the Corporación Ecuatoriana de Fomento on June 6, 1942. In Peru the Corporación Peruana de Amazonas was organized on June 19, 1942 to administer loans granted by the Export-Import Bank to the Central Reserve Bank of Peru. On September 20, 1942 the Corporación Boliviana de Fomento was formed to operate in conjunction with the Export-Import Bank to undertake the economic development of Bolivia.

Although Argentina, Brazil, and Venezuela have not organized general development (*fomento*) corporations they have created organizations to undertake development projects similar

to those of the *fomento* corporations. The Argentine Government set up in March 1941 two government agencies to foster industry and commerce: The Comité de Exportación y de Estímulo Comercial o Industrial and the Corporación para la Promoción del Intercambio. The Brazilian Government set up in 1942 a number of organizations and agencies to foster specific economic developments. The Venezuelan Ministry of Fomento organized as early as 1936 the Dirección de Industria e Comercio to prepare plans and to finance development projects. In other American republics similar developments have taken place: The Haitian Government in August 1941 organized the Société Haitiano-Américaine de Développement Agricole (SHADA); the Cuban Government by a law of November 22, 1941 set up in May 1942 the Comisión de Fomento Nacional; and El Salvador organized a social development corporation.

The exigencies of the war stimulated these activities. The economic emergency resulting from the war brought into existence three main types of development organizations: The *fomento* corporation, the *fomento* commission, and the *fomento* agency.

#### 1. The Fomento Corporation

The *fomento* corporation as it has evolved in South America is a corporate organization brought into existence as a governmental instrument to undertake planning for general development of the resources and economic life of the country and to initiate and manage specific development projects. Two different kinds of *fomento* corporation have been created:

*a. The National Fomento Corporation.* The national *fomento* corporation is a development corporation created and controlled by the national government. Ownership of the bonds and stocks of this type of *fomento* corporation is not extended to foreigners or to foreign governments. The national *fomento* corporation is an indigenous organization, controlled and managed by the government of the country in which it is established. This control, however, does not prevent the national *fomento* corporation from obtaining loans and advisory assistance from foreign governments, which can exert a certain measure of control over specific development projects for which foreign credits have been secured.

*b. Fomento Corporations in Joint Association With a Foreign Country Entity.* Foreign collaboration with the *fomento* corporations may be financial, technical, and managerial. The operational activities of the joint *fomento* corporations, with foreign financial assistance and with foreign technical and managerial aid, are controlled by foreign experts in association with the administrative personnel of the country concerned. In order to provide the foreign country with some voice in the policy of the development corporation, stock of the joint *fomento* corporation up to 50 percent is turned over to the Export-Import Bank, or an agency thereof, by proxy, to assure voting power to the foreign collaborating government.

The board of directors, half of whom are United States citizens appointed by the Export-Import Bank, is the program-making body of the joint *fomento* corporation. Responsibility for management and operations resides in the general manager, who is usually a United States citizen suggested by the agency extending credit to the corporation. The contributing foreign governmental agency does not usually propose a program of development nor control the development policy. It does, however, give or withhold its approval of the specific projects for which it is asked to advance credits. In these ways the foreign managerial and technical personnel are able to supervise the operations and undertakings of the joint *fomento* corporations without infringing upon the policy-making prerogatives of the local government.

## 2. The National Development Commission

The national development commission is set up by the national government to act independently of the governmental ministries and is directly responsible to the executive head of the national government. The commission may appoint a permanent board of experts and it may draw upon the services of the technical personnel of the various ministries. The commission undertakes surveys of economic projects; on their approval by the chief executive, the commission may obtain funds for carrying out the projects from loans made by a foreign government (in most cases the United States), if the agency of the foreign government making the loan gives its approval of the project.

## 3. Governmental Fomento Agencies

Various types of government development agencies which are not essentially of the *fomento* type have been set up in some South American countries and in one Central American country. Brazil in order to meet the war situation created a Coordinator of Economic Mobilization who in turn set up several agencies to carry out specific projects. Venezuela organized a Ministry of Fomento which created the Dirección de Industria e Comercio, with a technical staff and funds to finance development projects in conjunction with private interests. The Argentine Ministry of Agriculture created the Comité de Exportación y de Estímulo Comercial o Industrial as a sub-agency; the Ministry of Finance created the Corporación para la Promoción del Intercambio. These Argentine agencies cooperate closely with private banking, business, and industrial groups. In Central America El Salvador in 1943 changed a government commission known as the Mejoramiento Social, S.A., into a corporation (the Social Development Corporation of El Salvador) financially connected with the Mortgage Bank of El Salvador. It is interested primarily in land distribution and low-cost housing projects rather than in general economic development.

### THE SCOPE AND NATURE OF THE PROGRAMS OF DEVELOPMENT UNDERTAKEN BY FOMENTO ORGANIZATIONS

The scope and nature of the development programs undertaken by the different South American *fomento* organizations vary greatly. The Chilean and Bolivian *fomento* corporations, which incidentally appear to have been the most successful, have undertaken broad and diversified development programs.

In the field of agriculture the Chilean *fomento* allocated \$3,600,000 for the purchase of agricultural machinery, for irrigation projects, for the more intensive use of fertilizers, for the improvement and increase of livestock, and for agricultural education and experimentation. In the field of trade and commerce \$4,200,000 were allocated for the building of cold-storage plants and general warehousing facilities, for a national merchant marine, for encouragement of the tourist trade, and for investments in foreign trade and

distributive enterprises. In the field of industry \$4,000,000 were allocated to encourage industrial education, to carry on experimental work, and to develop specific industries. In the field of mining, loans and investments of \$3,200,000 were provided for experimental work and for expanding mining operations.

To expand the power resources of Chile, the Chilean *fomento* invested \$7,200,000 in new electrical power plants and provided an annual sum of \$1,600,000 for the improvement of fuel and electrical power plants.

The Bolivian *fomento*, following the recommendations of the United States Economic Mission to Bolivia of 1942, has undertaken a program of great importance to the economic welfare of Bolivia. The program is threefold: Highway construction and transportation; petroleum development consisting of the financing of new wells in proven areas and the construction of a refinery and a two-hundred-mile pipe-line; and agricultural development to make Bolivia self-sufficient in foods and to promote a new agricultural economy to take an increasingly important place in the Bolivian economic structure as the importance of mineral production decreases. The agricultural program includes also building of food-processing plants and encouragement of the growing of export crops which have a large and stable market in the United States.

As a corollary to its general development program the Bolivian Development Corporation has initiated an educational program by setting up a scholarship plan in collaboration with the International Training Administration under which Bolivian students are sent to the United States for technical training followed by one or two years of practical experience with American business and industrial concerns. The purpose of this educational program is to provide the Corporation with Bolivian technicians and experts.

#### MEASURE OF SUCCESS AND FAILURE OF THE FOMENTO ORGANIZATIONS

In order to weigh judicially the validity of some of the criticisms made of the *fomento* organizations it is necessary to examine the conditions under which they have operated and the factors which have affected their operation and development.

Most of the South American *fomentos* have come into existence during the war. At a time when the normal methods and channels of international trade were disorganized by the war and by wartime restrictions, the *fomentos* undertook to stabilize local economic conditions which were upset by world conditions. The activities of *fomentos* were affected by the restraints placed on normal international trade, by the difficulties in obtaining from foreign countries both producer and consumer goods and the equipment and materials required for development projects, by dislocations in foreign exchanges, by the necessity of controlling trading with the enemy, and by the need to meet wartime demands at home and abroad. From their inception the *fomento* organizations were compelled to contend with unusual and difficult economic conditions.

Those most familiar with the *fomento* organizations agree that their success depends largely upon the capacity and judgment of the managerial staff and upon the support of the local government. The activities of the organizations are for the most part in the nature of business operations. When these have been handled with sound business judgment, success has been achieved. When the contrary has been the case, there have been failures.

The question of whether the collaborative type of *fomento* corporation has proved efficient has been raised on the grounds that the joint *fomento* corporation has offended national sensibilities, that is, has aroused national jealousy, and that it has led to accusations of Yankee imperialism. In certain quarters it has been recommended that no more joint *fomento* corporations be formed and that those in existence be transformed into national *fomentos*. Others are of the opinion that it is not the fundamental nature of the joint *fomentos* which has been the cause of failures but rather in part the local conditions, in part the caliber of the United States managerial personnel, and in part conditions created by the war.

It is apparent that lack of tact and adaptability on the part of United States managerial personnel could create friction and animosity which in devious ways, including political opposition, could result in ill-will and obstructive tactics injurious to the proper functioning of a joint *fomento*. On the other hand it is certain that some areas where

the corporate instrumentality of a *fomento* organization might be of value lack the indigenous managerial and technical personnel capable of operating a corporation entity such as the *fomento* and that foreign participation is absolutely essential.

The answer, perhaps, lies in the inclusion in the charter of a joint *fomento* of a provision for the joint development corporation's ultimately becoming a national development corporation and for the education and training of an indigenous managerial and technical personnel capable of eventually assuming control. Furthermore, it is essential that the United States managerial and technical personnel of a joint *fomento* corporation be chosen for their adaptability in dealing with foreigners.

#### THE FINANCING OF FOMENTO ORGANIZATIONS

Both local and foreign capital are used to finance the operations of the *fomento* organizations. The government of a country undertaking a development program, after creating a *fomento* organization, may allot to it the initial capital required for organizational purposes and for operational activities in connection with the carrying-out of its development program. Capital has been obtained from the United States by the South American *fomento* organizations by application to the Export-Import Bank. The method usually followed is that of submitting to the Export-Import Bank the general development program and asking for loans to carry out specific projects as integrated parts of the program.

The general practice of the Export-Import Bank when it has in principle agreed to assist in financing a general development program has been to advance credits to finance specific projects which the Bank has approved. It is contrary to the Bank's general policy to advance lump sums for general development. The Bank insists that a competent technical and professional staff be placed in charge of those development projects which it finances. So far as it is practicable, the funds advanced by the Export-Import Bank are employed to finance the purchase of supplies and equipment in the United States.

In the case of the South American republics the *fomento* organizations have sought foreign capital almost exclusively from the United States. The Export-Import Bank has set as its purpose in the

granting of foreign loans the fostering of United States foreign trade, the improvement of economic conditions in the country to which loans are made, and the maintenance of friendly relations between the United States and the recipient country. The creation of the *fomentos* has been on a bilateral basis between the recipient country and the United States.

There is no reason, however, why the *fomento* organizations might not obtain credit from more than one foreign country on a multilateral basis. This might well prove to be the case in the post-war world if an International Bank for Reconstruction and Development is set up. In such an event a *fomento* organization might obtain foreign credits from an international bank in ways similar to those by which the South American *fomentos* obtain loans from the Export-Import Bank.

#### CONCLUSIONS

The corporate type of organization which can operate on commercial lines, which can be free from the more gross forms of political interference, and which can provide an instrumentality by which foreign managerial and technical assistance can be provided on a non-political basis is a satisfactory instrument through which foreign capital may be provided.

The development corporation is an instrument through which local capitalists, who invest their capital abroad or in unproductive ways at home, may employ their capital profitably in local enterprises which contribute to the general economic development of their countries. This is particularly true of countries where managerial experience and technical knowledge are lacking.

It is important that the type of development organization created should be adapted to the special conditions—political, economic, and psychological—peculiar to the country concerned.

It is essential that the foreign personnel attached to a development corporation or organization, be it national or joint, should, besides their professional and technical qualifications, be men who are capable of dealing tactfully with local leaders and of adapting themselves to situations in foreign lands. The lack of these qualities is as dangerous to the success of a development program as the lack of technical proficiency.

Recommendations for the creation of an instrumentality to undertake a development program with foreign financial assistance should take into consideration the conditions which prevail in the country seeking foreign assistance. A country with a well-trained professional class and a business class familiar with modern scientific methods and commercial and financial procedures should be able to operate a national development corporation with considerable success. Such has been the case in Chile. On the other hand a country without a class trained in managerial and technical knowledge and skills and without a strong business class cannot be expected to operate successfully a national development corporation. For such a country some type of joint *fomento* corporation is essential.

## Milton J. Helmick To Visit China

[Released to the press November 7]

The Department of State is sending Judge Milton J. Helmick to China to make a general survey of Chinese laws, regulations, and judicial administration, with particular reference to commercial laws affecting American firms having commercial interests in China.

The Chinese Government has informed the Department of State that Judge Helmick's visit will be welcome and that due facilities will be extended to him during his sojourn in China so as to make his visit of mutual benefit to the two countries. Judge Helmick expects to remain in China for about three months.

Judge Helmick was born in St. Louis, Missouri, November 27, 1885. He attended Stanford University, the University of Colorado, and the University of Denver. In 1912 he was admitted to the New Mexico bar. He became Assistant Attorney General of New Mexico in 1917 and served as Attorney General of that State from 1923 to 1925. From 1925 to 1934 he was judge of the Second District Court of New Mexico. He was judge of the United States Court for China from 1934 until May 20, 1943, when the treaty terminating American extraterritorial jurisdiction in China came into effect. He was repatriated to the United States on the first *Gripsholm* exchange in 1942.

## George H. Grim Returns From China

George H. Grim has returned from China, where for the past year he has been serving at the request of the Chinese Ministry of Information as a specialist in the field of radio broadcasting under the program of cultural cooperation of the Department of State.

Mr. Grim was program adviser to the Chinese International Broadcasting Station XGOY in Chungking. He worked closely with officials of China's radio-broadcasting administration in the training of Chinese students in American techniques of broadcasting, production, script-writing, and programming. As a further contribution to cooperation between the United States and China during the war, he broadcast to the United States more than 700 radio programs which were heard in this country from coast to coast. He also broadcast to American troops a nightly news program which was heard over 12 transmitters in unoccupied China. Upon his departure, Mr. Grim was thanked for his services by Generalissimo Chiang Kai-shek.

## Renunciation of Nationality In the United States

On July 1, 1944 the President approved an act amending section 401 of the Nationality Act of 1940 by adding a new subsection to be known as subsection (i). Section 401(i) provides that:

"Sec. 401. A person who is a national of the United States, whether by birth or naturalization, shall lose his nationality by:

"(i) making in the United States a formal written renunciation of nationality in such form as may be prescribed by, and before such officer as may be designated by, the Attorney General, whenever the United States shall be in a state of war and the Attorney General shall approve such renunciation as not contrary to the interests of national defense."

The subsection is effective only when the United States shall be in a state of war. During such

time and while in the United States an American national who desires to renounce the nationality of the United States may make a formal written renunciation of nationality in such form as may be prescribed by, and before such officer as may be designated by, the Attorney General, but such renunciation shall become effective only when the Attorney General shall approve it as not contrary to the interests of national defense.

On October 6, 1944 the Attorney General issued pursuant to the act of July 1, 1944 regulations governing the renunciation of American nationality while in the United States.<sup>1</sup> Under these regulations any national of the United States may make while in the United States a request in writing to the Attorney General for the form, "Application for Renunciation of United States Nationality". A completed and signed application for renunciation of United States nationality on the form prescribed by the Attorney General may be sent to the Attorney General together with any certificate of citizenship, certificate of naturalization, certificate of derivative citizenship, or United States passport which may have been issued to the applicant. If it is determined that the requested renunciation of American nationality appears to be contrary to the interest of national defense the applicant will be notified to that effect. If the requested renunciation does not appear to be contrary to the interests of national defense a hearing will be conducted by an officer designated by the Attorney General after notification to the applicant of the time and place of hearing. After the hearing the applicant may file with the hearing officer on the form prescribed by the Attorney General a formal written renunciation of nationality and request the approval of the Attorney General of such renunciation as not contrary to the interests of national defense. The hearing officer is required under the regulations to recommend the approval or disapproval by the Attorney General of the applicant's request for approval of his formal written renunciation of American nationality. The renunciation shall not become effective unless and until an order is issued by the Attorney General approving the renunciation as not contrary to the interests of national defense. The regulations provide that when an application for renunciation of American nationality is approved by the Attorney

General, notice thereof shall be given to the interested departments and agencies of the Government, including the Department of State. If the applicant submitted with his application for renunciation a United States passport, such passport will be sent to the Department of State with the notice of approval of the renunciation of American nationality. The regulations issued by the Attorney General on October 6, 1944 are effective from such date and until cessation of the present state of war unless sooner terminated by the Attorney General.

## American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas

[Released to the press November 8]

In August 1943 the President approved the establishment of the American Commission for the Protection and Salvage of Artistic and Historic Monuments in Europe.<sup>2</sup> Early in 1944 the President decided to enlarge the scope of activity of the Commission to include functions relating to certain parts of the Pacific area. This enlargement of the purview of the Commission's activities was accompanied by an alteration in its title, which now reads "The American Commission for the Protection and Salvage of Artistic and Historic Monuments in War Areas." The President has now approved the designation of the following persons as additional members of the Commission.

His Excellency, the Most Reverend Francis Joseph Spellman, D.D., Archbishop of New York

Mr. Huntington Cairns, Secretary-Treasurer and General Counsel of the National Gallery of Art

Mr. Cairns has previously served as Secretary-Treasurer of the Commission.

<sup>1</sup>The complete text of the regulations appears in the *Federal Register* of Oct. 10, 1944.

<sup>2</sup>BULLETIN of Aug. 21, 1943, p. 111.

# Korea: Internal Political Structure

By HUGH BORTON<sup>1</sup>

From the record of Japanese colonial administration in Korea it is apparent that there has been maladministration from the point of view of the Koreans. Progress has been made in such fields as public health and education, but these programs have been designed to make Korea function more efficiently as a part of the Japanese Empire rather than to bring material benefit to the Koreans. Reforms to allow the Koreans a limited participation in the colonial government have been introduced simultaneously with economic measures designed to exploit Korean resources and labor for the benefit of the Japanese. A study of the Korean internal political structure is important, therefore, to show how far Japanese control has extended and how limited Korean experience in self-government has become.

## I. POLITICAL HISTORY PRIOR TO ANNEXATION

### 1. *History to 1905*

During nearly six centuries, from the rise of the Yi Dynasty in the mid-fourteenth century to the formal annexation by Japan in 1910, Korea enjoyed a larger measure of political stability than did other countries in northeastern Asia. She was sufficiently off the beaten track of invasion to enjoy a fairly continuous existence as a nation. There evolved within Korea, however, two distinct groups: The exploiting and corrupt court of the Yi family and the exploited populace. This development led to internal weakness, and it permitted the growth by the late nineteenth century of a vicious rivalry between China and Japan for the control of Korean suzerainty.

Although China claimed old rights of suzerainty over Korea as a tribute-bearing state, Korea had the right to make peace and war on her own account. On the other hand, in 1876,

Japan by a show of force secured a treaty of amity and commerce with Korea in which Korean independence was recognized. In subsequent treaties other foreign powers recognized the full sovereignty of Korea. Powerless to take issue with her more powerful neighbors, she became increasingly the victim of foreign intrigues. By the late 1880's China and Russia supported the conservative clique in the Korean court and Japan, the progressive group. The jealousy of both China and Japan on the question of control over Korea's political status and foreign relations led to the Sino-Japanese War of 1894-95.

The Treaty of Shimonoseki of 1895<sup>2</sup> provided that China recognized definitely the full and complete independence and autonomy of Korea, but this recognition did not necessarily make Korea a free and independent nation. The clash of Chinese and Japanese intrigue was merely replaced by a clash between Russia and Japan. The Korean court, to prolong its existence, played off one against the other. Again the struggle for the control over Korea became a chief cause of war, but this time in the treaty<sup>3</sup> that followed, Russia surrendered all claims to national interest in Korea and also recognized that Japan possessed in Korea paramount political, military, and economic interest.

### 2. *A Protectorate Followed by Annexation*

It was obvious to Japan that a really independent Korea would be open to intrigues and pressure from other nations. In order to assure her own control Japan hastened to establish a protectorate even before the exchange of ratifications of the Portsmouth Treaty was completed in 1905.<sup>3</sup> Under the Protectorate Japan assumed control of Korean foreign affairs and diplomatic and consular services. Two years later the Korean Emperor appealed to the Hague Tribunal to review the regime imposed on Korea by Japan. Indignant over this affront, the Japanese forced Korea to sign a new convention whereby the Resident General was given practically complete control over the Government.<sup>4</sup>

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<sup>2</sup> *Foreign Relations*, 1895, p. 199.

<sup>3</sup> *Ibid.*, 1905, p. 824.

<sup>4</sup> *Ibid.*, 1907, p. 773.

A secret convention between Japan and Russia assured the recognition by the latter of "the relations of political solidarity between Japan and Korea." Finally the Korean Emperor was forced by Japan to plead for annexation to Japan. The fiction therefore of Korean independence came to an end.

According to a declaration<sup>5</sup> by the Government of Japan upon the annexation of Korea, in the Treaty of Annexation signed August 22, 1910,<sup>6</sup> the system of government inaugurated since 1905 had "not proved entirely equal to the duty of preserving public order and tranquillity, and, in addition, the spirit of suspicion and misgiving dominates the whole peninsula." Thus annexation was the step proposed to "maintain peace and stability in Korea, to promote the prosperity and welfare of Koreans, and at the same time to insure the safety and repose of the foreign residents." The Treaty of Annexation provided for the complete annexation of Korea to the Empire of Japan. The Imperial Government of Japan assumed "the entire government and administration of Korea" and undertook to afford full protection to all law-abiding citizens. It further provided that Japan would, "so far as circumstances permit, employ in the public service of Japan in Korea those Koreans who accept the new régime loyally and in good faith, and who are duly qualified for such service."

Korea had been able to survive as a nation even though other areas in northeastern Asia were torn with strife, but when the peninsula became important as a gateway to the fast-developing Asiatic mainland, it became a pawn in the hands of China, Russia, and Japan. It completely lost its autonomy in less than two decades. Japan supported Korean independence only so long as that policy was the best means of preventing rival powers from controlling Korea. As soon as circumstances permitted Japan assumed exclusive control. Since the formal annexation of Korea by Japan in 1910 Korea has become increasingly an integral part of the Japanese Empire.

## II. ORGANIZATION AND ADMINISTRATION OF COLONIAL GOVERNMENT

The Government General of Korea has functioned through the Governor General as an autonomous organization subject only to the Japanese Emperor and to restrictive legislation of the

Japanese Parliament. Since November 1942 Korean affairs have become the direct responsibility of the Japanese Home Minister, and the peninsula has been administered as an integral part of Japan proper. An analysis of the general administration of Korea from the time of annexation indicates how Japanese policy has made this eventual absorption possible and to what extent Koreans themselves have participated in the government.

### 1. Government General

The administration of Korea was carried out by the Governor General, appointed by the Japanese Emperor, with power to control all administrative functions exercised in Korea. The powers of the Governor General were restricted by the following regulations: All decrees of the Governor General must receive the sanction of the throne, and jurisdiction over finances and legislation on broad policies concerning Korea must reside in the hands of the Imperial Diet. The Governor General was assisted by an administrative superintendent or Vice Governor.

The government consisted of eight main administrative offices: The secretariat, home affairs, finance, industry, agriculture, judiciary, education, and police. Various bureaus had charge of the government monopolies, the forests, and similar interests. A provincial governor, appointed by the Governor General and subject to his veto, was in charge of administrative details for each of the 13 provinces. Japanese law and law courts prevailed, and a central police headquarters supervised the control of police and sanitary affairs.

To fulfil in principle at least the terms of the Treaty of Annexation, which provided for the employment of duly qualified Koreans in the government, those Koreans willing to collaborate were given minor posts, and certain consultative councils composed of Koreans were established. The severe and rigid police control and other oppressive measures, as well as the desire of the Koreans to bring to the attention of the Paris Peace Conference their right to independence under the principle of the self-determination of peoples, had resulted in a wide-spread passive rebellion for independence in March 1919. The Japanese thus

<sup>5</sup> *Ibid.*, 1910, p. 681.

<sup>6</sup> *Ibid.*, p. 682.

realized they would have to be less oppressive and would have to seek more cooperation from the Koreans.

## 2. Reforms of 1919

Various proclamations of the new Governor General, Admiral Saito, stated that full consideration would be given to the appointment and treatment of Koreans and that improvements had been made on the problem of their eligibility as officials. The actual reforms introduced included the equalization of pay for Koreans and Japanese, except the 60-percent bonus given the latter for overseas service; the permission for Koreans to become school principals and for Korean judges and procurators to try cases which concerned persons other than Koreans; and the taking away from the *gendarmerie* of regular police functions, which meant the cessation of what was practically military government, although police control continued to be both thorough and severe.

*a. Advisory Councils.* Since the annexation of Korea the highest consultative body has been the Central Advisory Council. Members of that body were appointed from among the old nobility and officialdom which had governed under the monarchy; however, the functions of the Council were distinctly limited. It has met only when called by the Governor General to discuss matters presented by him on such subjects as native burial customs. Factional differences within the group further nullified its effectiveness.

In 1920 the first advisory councils for provinces (*do*), prefectures (*gun*), municipalities (*fu*), and the most important townships (*yu*) were established. Members of the 14 municipal advisory councils and the 41 township councils were elected by males over 25 years of age who paid an annual tax of ¥5.00. This rule automatically restricted the electorate to a minimum number of Koreans, but it did not prevent most of the male Japanese over 25 years from voting. These councils discussed matters referred to them, primarily of a local and financial nature, and nominated members for appointment by the provincial governors to the provincial councils. One third of the membership of the provincial councils was composed of direct appointments by the governors. The provincial councils were likewise merely consultative bodies and expressed their opinion on matters of finance, taxation, and loans in the provinces.

*b. Quasi-Legislative Councils, 1931-33.* On the theory that the most effective way to assure the eventual and complete amalgamation of Korea with Japan was to grant, in a paternalistic manner, limited self-government to the Koreans, further reforms in the colonial system were inaugurated in 1931 and 1933. Advisory councils were given power to make decisions on matters of local concern. The term of office for the councilors was extended from three to four years. Furthermore, two thirds of the members of the provincial councils were to be elected by the lower councils, which meant that the electorate had at least an indirect choice in the membership of the council in the province. In all cases, however, the decisions of the councils were subject to the veto of the administrative official over them, regardless of whether the administrative official was a provincial governor, prefect, or head of the township. The councils could be suspended by the supervisory official, and regulations could be enforced in spite of the dissent of the council. If it came to a matter of opposition to government policy, therefore, the most that the council could do would be to express its disapproval. Nevertheless, the election returns from 1920 to 1935 show an increasing interest by the Koreans in the use of the franchise and a greater representation of their candidates in the councils.

## 3. Korean Participation in Government

Even though many Koreans felt that the reforms that had been inaugurated were palliative and gave little real power to the advisory councils, the latest available statistics show an increased participation in governmental affairs by Koreans. After the inauguration of the new reforms more than twice as many Koreans as Japanese served on the provincial councils (296 to 126). Among that portion of the councilors that was elected and not appointed, the proportion of Koreans to Japanese was nearly six to one (241 to 42). In view of the fact that the Japanese composed only three percent of the population, however, the proportionate representation was still much greater for the Japanese than for the Koreans. Moreover, among the high offices, over four fifths were held by Japanese, and only in the state schools and provincial positions did the Koreans have a slight preponderance. The figures on the total number of Koreans employed by the Government General in recent years are not

available, but in 1936 Koreans comprised about one third of the 60,000 employees, and it is believed that a slightly higher percentage of Koreans has been used in the past five years. In all cases a wide discrepancy in salaries for Japanese and Koreans in the same posts prevailed because of the bonuses for all Japanese.

The limitation of the electorate by a minimum tax eligibility resulted in the fact that the great mass of Koreans have had no experience in use of the franchise or in real self-government. The main contact of the ordinary Korean with the administration is through the local police or civilian magistrate, and complete and strict control by the authorities has given the average farmer little chance to develop an interest in changing the form of government. Whenever Koreans have had experience in government, it has always been under direct Japanese supervision, and there has been no opportunity for choice as to policies to be pursued. The Korean bureaucrat has always been aware of the fact that he works not for his own government but for a branch of the Japanese Government. Real Korean self-government has been practically non-existent.

#### 4. Colonial Policies

The basic policy of Japanese colonial administration has been increasingly to prepare the peninsula not for independence, which has long been the desire of the majority of Koreans, but for eventual amalgamation of Korea into the Japanese nation. Thus the various administrative reforms were inaugurated partly to fulfil the desire of the Koreans for more representation in government but more especially to educate the more prosperous Koreans for their responsibilities as Japanese subjects within the Japanese Empire. A former Governor General, Gen. Jiro Minami, in 1937 defined his administrative policies in broad terms. Since the Japanese Empire was "the only stabilizing force in the Orient and as it was determined to uphold justice and fairness and enhance culture for the peace and welfare of Asia", he argued, it behoved the authorities in Korea to stamp out Communism. He was encouraged by the progress he noticed in the complete Japanization of Koreans in such things as the enforcement of obeisance at Shinto shrines, the hoisting of the national flag, the respect for the national anthem, and the use of the Japanese language. In matters of industry, economy, and self-defense, he urged the necessity

of the "identification of Chosen [Korea] and Manchukuo". He concluded by stating that the first aim of education in Korea was the fostering of the Japanese national spirit. This he believed should take precedence over mere book knowledge.

### III. EDUCATION

The educational system in Korea has been used as much as possible to foster and develop Japanese nationalism. The primary concern of this system has been the education of the Japanese living in Korea; therefore, only a limited number of Koreans have been given a basic primary education. This condition is the result, as well, of the limited portion of the budget devoted to education (about two percent of the regular and one percent of the total budget in 1939) and the limited local funds available for educational purposes. Although a total of 1,572,000 pupils are reported for 1939, nearly twice that many children of school age had no adequate school facilities. The most recent available figures indicate, however, a marked increase in the total number of pupils in schools in Korea. The total enrolment in 1941 was reported to be 2,266,800.

Although distinct school systems were adopted for Koreans and Japanese prior to 1938, a uniform system for all, based on the educational system in Japan proper, is now used. Koreans and Japanese, however, usually attend separate schools. The adoption of similar instruction for both Koreans and Japanese was inaugurated to facilitate "the clarification of the national policy" and to assure that "all may be formed into true and loyal Imperial subjects". In 1939 Japanese students comprised about eight percent of the total student population. The school texts give only a few carefully selected examples from Korean history; they refer to Jimmu Tennō (the founder of the Japanese imperial line) and Meiji Tennō (grandfather of the present sovereign) as "Emperors of our country". Shrines to the Japanese imperial ancestors are being erected in all schools, and a conscious attempt is made to instil into the student the concept that there is nothing purely Korean as such and that Korea is only a part of Japan.

In contrast to the lack of instruction in the Korean language, a minimum of nine hours weekly is required in Japanese, which is the medium of instruction for practically all institutions. A limited number of higher schools, special indus-

trial and trade schools, and agricultural experimentation centers makes it possible for a few Koreans to improve their skills. Five thousand Korean students are said to be studying each year in Japanese schools of higher learning.

Emphasis has recently been placed on "social education for the promotion of the national spirit". To arouse loyalty and patriotism for Japan, officials and the people, labor and capital are urged to cooperate to assure the prosperity of the imperial throne. On every ceremonial occasion the schools, government offices, banks, companies, factories, shops, and all social bodies are required to repeat the Oath of Imperial Subjects:

"We are Imperial Subjects, we pledge our allegiance to the Empire. We, the Imperial Subjects, by mutual faith, love and cooperation will strengthen our union. We, the Imperial Subjects, by perseverance and training, will cultivate strength to exalt the Imperial Way."

The whole educational system is set up, therefore, with the express purpose of making the Koreans loyal Japanese subjects, with the hope of obliterating all vestiges of Korean opposition and culture.

#### IV. HEALTH AND SANITATION

In matters of improvement of health conditions, the Japanese have, according to official claims, been extremely successful. The official report of the Government General declares that the energetic efforts of the authorities have been most successful in the control of epidemics and contagious diseases. Of these, cholera was the most prevalent, with 13,000 deaths from this disease recorded in 1920 and only one in 1937. Smallpox likewise was endemic until deaths from this cause were reduced as a result of wide-spread vaccination to less than 50 annually. Other prevalent diseases include typhoid fever, dysentery, diphtheria, typhus, and scarlet fever. One explanation for the fact that official figures show a lower incidence of all these diseases in Korea than in Japan would seem to be the fact that in Korea medical practice is limited to one physician for every 7,500 of the population. Numerous cases in all these diseases are thus never recorded. In reality conditions are much worse than indicated. At the same time it should be realized that the police authorities control the sanitation and hygiene of the country, and if any locality develops an epidemic, speedy measures are enforced to isolate it.

In 1937 there were 144 government hospitals; of a total of nearly two million patients for the year, one fourth were in-patients. Thirty mission hospitals, especially those for lepers, supplement the official institutions. So far as the lepers are concerned, less than one half of the total of more than 13,000 have been cared for. Some institutions for orphans, the blind, and deaf-mutes have been established, but much still remains to be done in the whole field of social welfare. Opium-smoking has been methodically reduced by the establishment of an Opium Monopoly Bureau and by complete governmental control over the disposal of the drug.

#### V. RECENT CHANGES

The final establishment of the Greater East Asia Ministry on November 1, 1942 and the simultaneous reduction in personnel in other branches of the government had far-reaching effects upon the administration of Korea. The new Ministry is authorized to administer all affairs, except purely diplomatic relations, in Greater East Asia exclusive of Japan, Korea, Formosa, and southern Sakhalin. This authorization means that Korea henceforth is to be considered an integral part of Japan. The Governor General is the governor no longer of a colony but of one of Japan's outlying "prefectures"; he administers political affairs under the supervision of the Japanese Home Ministry. Furthermore, the Governor General is appointed by the Premier on the recommendation of the Home Minister, not, as previously, directly by the Emperor. The appropriate Minister of State or Premier within Japan will supervise the various aspects of life in Korea.

Such a profound shift in administration necessarily means a conspicuous shift in the personnel of the office of the Government General and the inauguration of new policies. At a conference of governors of prefectures, held November 13-14, 1942, the Governor General of Korea attended for the first time "as a head of a prefecture". In December 1942 the Cabinet approved the inauguration of compulsory education in the peninsula by 1946. This program will require the training of additional teachers, the construction of more schools, and the gradual increase in student enrollment. Bills passed by the Diet early in 1943 included two which provided for conscription within Korea. Registration for males of military age was inaugurated in the spring of 1944, and a

limited number of Korean conscripts have already been called to the colors. Previously certain volunteer military units existed: One unit, reportedly organized in 1938 as an integral part of the "Manchukuo" army, has been active in patrolling the province of Chientao in southern Manchuria; other units have been trained to guard American and British prisoners of war. With the inauguration of compulsory education and conscription, the final stage of the effort to Japanize Korea will have been reached, and Korea will be no longer a colony but another "prefecture", an integral part of Japan proper. Whatever role Koreans will play in the government under the new reorganization, they necessarily will participate in the Japanese administrative organization for the benefit of Japan as a whole, not for the benefit of Korea. Obviously, this Japanese program of complete integration of Korea into Japan will end abruptly with the liberation of Korea by the United Nations.

## Full Membership for Provisional Government of France on European Advisory Commission

[Released to the press November 11]

At the Moscow Conference a year ago the American, British, and Soviet Governments decided to establish in London a European Advisory Commission for the purpose of studying certain European questions and submitting joint recommendations thereon to the three Governments.

Among the matters which are receiving the close attention of the Commission is the question of the surrender terms to be imposed on Germany, and the treatment to be accorded that country.

Conscious of France's vital interest in the solution of the German problem and of the part which France will inevitably play in maintaining the future peace of Europe, the Government of the United States is happy to join in extending to the

Provisional Government of the French Republic an invitation to full membership on the European Advisory Commission.

Representatives of the three Governments are today communicating this decision to the Provisional Government of the French Republic at Paris.

## Appointment of Harold MacMillan as Head of the Allied Commission

[Released to the press November 10]

As already announced<sup>1</sup> the President of the United States and the Prime Minister of Great Britain recently reviewed the situation in Italy and agreed on a general policy to meet the many economic and other difficulties of that country. In order to facilitate the task they have agreed that the Right Honorable Harold MacMillan, M.P., British Resident Minister at AFHQ, Mediterranean, should, in addition to his present post, become responsible head of the Allied Commission. In order to effect this, General Wilson will delegate to Mr. MacMillan his functions as President of the Commission. Commodore Ellery Stone of the United States Navy, at present Acting Chief Commissioner, will be appointed Chief Commissioner. Mr. MacMillan as Acting President will be specially charged with the duty of supervising development of new measures together with any change in the structure of the Commission necessary to carry them out.

### THE FOREIGN SERVICE

#### Consular Offices

The American Consulate at Ceuta, Spanish North Africa, was closed on October 31, 1944.

<sup>1</sup> BULLETIN of Oct. 1, 1944, p. 338.

## Civilian Travel in Certain Foreign Areas

[Released to the press November 11]

The Joint Chiefs of Staff with the concurrence of the Secretary of State have removed, effective November 10, 1944, Morocco, Algeria, Tunisia, Libya, Syria, Lebanon, Turkey, Cyprus, and the Zone of the Interior of France from the list of areas of active military operations in which civilians, with certain exceptions, may not travel without first receiving military permission. The Zone of the Interior of France comprises all territory in continental France within the eastern boundaries of the Departments of Seine Inférieure, Oise, Seine-et-Marne, Yonne, Nièvre, Saône-et-Loire, Rhône, Ardèche, and Gard.<sup>1</sup> Civilians will, with certain exceptions, still be required to obtain military permission for travel in the following areas:

<i>Theater or area</i>	<i>Areas of active operations</i>
European	Continent of Europe (except Portugal, Spain, Sweden, Switzerland, and the Zone of the Interior of France)
Mediterranean	Italy and the islands in the Mediterranean
Middle East — Central Africa	Continent of Europe (except Turkey) and the islands in the Mediterranean (except Cyprus)
China	China, French Indochina, and Korea
India-Burma	Assam, Burma, and Thailand
Southeast Asia	Area east of longitude 92° E. and north of latitude 16° 30' S.
Pacific Ocean areas	New Hebrides, Santa Cruz, Solomon, Ellice, and Gilbert Islands; Canton Island; Baker Island; Howland Island; Aleutian Islands west of Dutch Harbor; Hawaiian Islands (exclusive of those islands east of longitude 162° W. and north of latitude 18° N.); Araitō, Paramushiro and Shumshu Jima; and all islands in east longitude between latitude 0° and 50° N. and between the Asiatic mainland and longitude 180°
Southwest Pacific	All islands north of the mainland of Australia

While Switzerland has not been and is not considered an area of military operations it is necessary to travel through such an area in order to reach that country and consequently military permission to transit such an area is required.

The Department of State will accept applications from American citizens for the Zone of the Interior of France, Morocco, Algeria, Tunisia, Libya, Syria, Lebanon, Turkey, and Cyprus when such applications are accompanied by appropriate evidence establishing (1) that their presence in any such place will contribute directly or indirectly to the war effort, or (2) that their purpose in desiring to travel in any such place will serve the national interests by the resumption of economic or other activities disrupted by the war, or (3) that their purpose in traveling to any such place would materially aid that place in meeting its essential requirements for civilian consumption and reconstruction.

The Department will continue to accept applications for passports for Portugal, Spain, and Sweden if accompanied by appropriate evidence establishing a reasonable necessity for visiting such countries.

The Department will accept applications for passports for travel in or through an area which is still considered an area of active military operations when they are accompanied by appropriate evidence establishing that such travel will contribute directly or indirectly to the war effort. In the cases in which the Department considers that the travel is essential to the war effort, it will seek to obtain military permits from the Joint Chiefs of Staff, without which travel in or through such an area will not be permitted.

A person who considers that his presence in Morocco, Algeria, Tunisia, Libya, Syria, Lebanon, Turkey, Cyprus, the Interior Zone of France, or any areas of active operations will contribute directly or indirectly to the war effort should support his application by a letter from an appropriate department or agency of the Government stating in what way he would contribute to the war effort.

The Department will continue to receive applications for passports for travel in countries in the Western Hemisphere, except where the United States maintains defense bases, if they are accompanied by evidence establishing reasonable necessity for such travel.

It must be clearly understood that the facilities for transportation are extremely meager and that

<sup>1</sup> BULLETIN of Oct. 29, 1944, p. 498.

the appropriate authorities in the United States hold out no encouragement at this time that such facilities will be increased.

Each American citizen to whom a passport is issued for foreign territory not within an area of active operations and consequently for which a military permit is not required must comply with the visa or other regulations applicable to travel in such territory.

## Death of Lord Moyne

[Released to the press November 8]

The Acting Secretary of State, Edward R. Stettinius, Jr., has sent the following telegram to the American Embassy at London:

"Please convey to Mr. Eden at once the sincere sympathy of this Government, as well as myself, in the untimely death of Lord Moyne,<sup>1</sup> a public servant of outstanding merit with whom American officials maintained the most cordial relations. The shock of this news was intensified by the tragic circumstances of his death."

### TREATY INFORMATION

#### Inter-American Automotive Traffic

##### *Chile*

The Director General of the Pan American Union informed the Secretary of State, by a letter of October 31, 1944, that on October 27, 1944 the Ambassador of Chile in the United States, Señor Don Marcial Mora, signed in the name of his Government, with reservations, the Convention on the Regulation of Inter-American Automotive Traffic, which was opened for signature at the Pan American Union on December 15, 1943.

A translation of the Chilean reservations follows:

1. This adherence is subject to subsequent ratification after approval of the Chilean National Congress in accordance with article XX of the Convention.

2. Articles XIV and XVI of the present Convention shall be binding on Chile in everything that is not contrary to her laws in force.

3. The Government of Chile reserves the right to sign traffic agreements with American countries on such bases as it may deem necessary.

#### Educational and Publicity Films; Nature Protection and Wildlife Preservation

##### *Ecuador*

The Director General of the Pan American Union informed the Secretary of State, by a letter of October 25, 1944, of the deposit with the Pan American Union on October 20, 1944 of the instruments of ratification by the Government of Ecuador of the following conventions:

Convention Concerning Facilities for Educational and Publicity Films, signed on December 23, 1936 at Buenos Aires at the Inter-American Conference for the Maintenance of Peace.<sup>2</sup>

Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere, which was opened for signature at the Pan American Union on October 12, 1940.<sup>3</sup>

The above-mentioned instruments of ratification are dated November 15, 1943.

#### Barbadian Laborers in the United States

The American Consulate at Barbados, British West Indies, transmitted to the Department, with a despatch of October 11, 1944, copies of an exchange of notes between the Government of the United States and the Government of Barbados dated September 29, 1944 and October 11, 1944 modifying the Memorandum of Understanding signed May 24, 1944 which provided for the recruitment of Barbadian laborers for work principally in agriculture and in food processing.<sup>4</sup> By the exchange of notes the Memorandum of

<sup>1</sup> British Minister Resident in the Middle East.

<sup>2</sup> *Report of the Delegation of the United States of America to the Inter-American Conference for the Maintenance of Peace*, Conference Series 33, p. 198.

<sup>3</sup> Treaty Series 981.

<sup>4</sup> BULLETIN of June 3, 1944, p. 512.

Understanding has been modified to provide for recruitment of Barbadian workers for employment in "industries and services essential to the war effort." The amendment of the Memorandum of Understanding became effective on October 11, 1944.

## PUBLICATIONS

### DEPARTMENT OF STATE

Reciprocal Trade: Agreement and supplementary exchange of notes between the United States of America and Iran—Signed at Washington April 8, 1943; effective June 28, 1944. Executive Agreement Series 410. Publication 2189. 40 pp. 10c.

Exchange of Official Publications: Agreement between the United States of America and Iraq—Effectuated by exchange of notes signed at Baghdad February 16, 1944; effective February 16, 1944. Executive Agreement Series 403. Publication 2194. 22 pp. 10c.

Foreign Service List (Abridged), October 1, 1944. Publication 2205. ii, 61 pp. Subscription, 50c a year (65c foreign); single copy, 15c.

### OTHER GOVERNMENT AGENCIES

Annual Report of the American Historical Association for the Year 1942: The Quest for Political Unity in World History. H.Doc. 12, Vol. 3, 78th Cong., 1st sess., xiv, 386 pp.

Annual Report of the American Historical Association for the Year 1943: Proceedings. H.Doc. 527, Vol. 1, 78th Cong., 2d sess., xxv, 75 pp.

The articles listed below will be found in the November 11 issue of the Department of Commerce publication entitled *Foreign Commerce Weekly*, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Mexico: Vegetable and Truck Crops", by Mervin G. Smith, assistant to the agricultural attaché, American Embassy, Mexico, D.F.

"Haiti Soap Markets", by Vinton Chapin, consul, American Embassy, Rio de Janeiro, and Marian Drake Hall, Bureau of Foreign and Domestic Commerce, Department of Commerce.

## THE DEPARTMENT

### Designation of Officers

Alger Hiss as Deputy Director of the Office of Special Political Affairs, effective November 1, 1944.

Harley A. Notter as Adviser in the Office of Special Political Affairs, effective November 1, 1944.

Durward V. Sandifer and Benjamin Gerig as Associate Chiefs of the Division of International Security and Organization, effective November 1, 1944.

David A. Salmon as Adviser in the Division of Cryptography, effective November 1, 1944.



BULLETIN



November 19, 1944

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Research and Publication, Office of Public Information, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.*

*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

*The BULLETIN, published with the approval of the Director of the Bureau of the Budget, is for sale by the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C., to whom all purchase orders, with accompanying remittance, should be sent. The subscription price is \$2.75 a year; a single copy is 10 cents.*

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# American-Soviet Friendship Day Rally<sup>1</sup>

## MESSAGE FROM THE PRESIDENT<sup>2</sup>

I am grateful to you and all those who are celebrating American-Soviet Friendship Day for the words of support and confidence I have received. There is no better tribute we can hold out to our Allies than to continue working in ever-growing accord to establish a peace that will endure. The

Dumbarton Oaks conference was a step in this direction. Other steps will be taken. In line with this objective such meetings as you are holding in Madison Square Garden and in other great centers throughout the United States are of tremendous assistance and value.

## REMARKS BY THE ACTING SECRETARY OF STATE

[Released to the press November 16]

It is an honor for me to have this opportunity, afforded by the National Council of American-Soviet Friendship, to speak this evening of the close relationship existing between the United States and the Union of Soviet Socialist Republics.

The friendship between our two countries is a cherished heritage of our peoples. Our relations have grown close in the ordeal of this world-wide war, in which we have joined our efforts in a joint cause.

In our unity and in unity with our gallant Allies we have found invincible strength. The United Nations constitute the most gigantic combination of the forces of freedom ever known in the history of man. It is today relentlessly carrying the struggle against Hitler onto his own soil. We are fighting on his eastern, his western, his southern, and his northern approaches—on the land, on the sea, and in the air. Day by day, at this crucial time in the upward march of mankind, our peoples and our fighting forces are writing a new heroic story of courage, of unequalled labor, and of tremendous thrusts of righteous strength.

We are winning this war. Our victory will be complete. It will be a common victory, wrought by a common effort, won for the common good of the peace-loving peoples of the world.

To carry this struggle victoriously through to the day when the sound and the fury of battle

need be no more is our imperative job today. But there falls upon our countries, and upon all peace-loving countries, large and small, the sacred obligation to make sure that the victory shall lead to the establishment of secure and enduring peace.

The world may rest assured that whatever steps are necessary to prevent Germany from ever waging war again will be taken. Beyond that there is an even greater task.

There must be, and there will be, an organization of the peace-loving nations of the world bound together in mutual respect and in unswerving determination to keep the world's peace. War must not happen again. To put every ounce of determination and effort into the task of creating a peaceful and advancing community of free nations is an obligation which our two nations and all peace-loving nations cannot escape. This is the destiny of our friendship. It is the destiny of all the United Nations. We will not fail in this solemn trust.

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<sup>1</sup> Meeting of the National Council of American-Soviet Friendship in New York, N. Y., Nov. 16, 1944 on the occasion of the eleventh anniversary of the establishment of diplomatic relations between the United States and the Soviet Union.

<sup>2</sup> Telegram, which was read at the rally, was sent to the Honorable Joseph E. Davies, chairman, American-Soviet Friendship Day Ceremonial. Mr. Davies was former American Ambassador to the Soviet Union.

In a spirit of friendly collaboration and of mutual confidence and faith in each other we have taken the first necessary steps to establish an international organization to maintain peace and security. In that same spirit, we shall take further steps. We shall continue to act together and to work in fullest cooperation with those other peace-loving nations who share responsibility for building and guarding a peaceful world order.

For this high purpose, representatives of the Soviet Union, the United Kingdom, and the United States, and later China, met at Dumbarton Oaks this autumn to prepare proposals for the essential machinery of such a world order. Building upon the foundations laid down at the Moscow Conference a year ago, they agreed upon proposals for the creation of arrangements for the immediate suppression of threats to international peace. Furthermore, they proposed arrangements for the constructive upbuilding of the economic and social conditions conducive to the advancement of human freedom and of human welfare and, therefore, to the promotion of peaceful relations among nations.

These proposals for meeting the great task of the future were immediately laid before the peoples of the world. You are discussing them as the governments are considering them. You are thinking about the questions on which proposals have yet to be formulated, as your governments are doing.

The Government and the people of the United States are firmly resolved that, so far as lies in their power, the work begun at the Moscow Conference and carried through its next stage at the Dumbarton Oaks meeting in Washington shall be carried on to a successful conclusion as rapidly as possible. We are confident that the governments and peoples of the other United Nations are moved by the same resolution.

I have no doubt that in the coming months the Dumbarton Oaks proposals will be completed, that they will then be placed before a wider international conference as a basis of discussion, and that out of that conference there will emerge a charter of the future international organization which will be submitted to the nations for their final approval.

These are our next steps.

It gives me the greatest satisfaction to speak of the splendid attitude displayed in the Dumbarton

Oaks conversations by those fine public servants, Ambassador Gromyko and Lord Halifax, who are here tonight, and by their able associates. Their attitude was a faithful reflection of the spirit and broad vision of their Governments. That spirit and that vision will be manifest, you and I know, in the steps ahead.

Our great American statesman, Secretary Hull, has stated that the proposals now before the world represent the highest common denominator among the four participating Governments, rather than the plan of any one of them. They are the considered, though yet tentative, views of the countries which are bearing the brunt of the war and which inevitably will continue in the future to have special responsibilities for the prevention of wars and the removal of the fears that lead to wars.

The international cooperation shown at Dumbarton Oaks is immensely encouraging. In the words of President Roosevelt, "The task of planning the great design of security and peace has been well begun". It is another "clear indication", as Marshal Stalin said a few days ago, of "the stability of the front" of the United Nations.

Out of our common efforts for victory and for peace there is emerging a thought of surpassing importance. Nations *can* work together toward common ends. Of course, differences occur within and among nations. But there is abroad in the world today a greater conviction than ever before that whatever differences may arise among nations can and must be solved, peacefully and amicably, in a spirit of common understanding and goodwill, for the greater good of all.

That has always been true in the relations between our two countries. The interests and instincts of our peoples turn toward the peaceful and productive arts, the raising of great enterprises, the developing of public services, and the advancement of science and the humanities. Both our peoples have vast resources to develop, in different ways, for their own benefit and for the benefit of mankind. Both peoples are dedicated to the improvement of standards of living and the enlarging of opportunity for themselves and for all.

As we have fought and worked together, we have come to know each other better, and we have found that the cordiality of our relations has grown. Differences in points of view and method of work shrink as there is mutual knowledge and

understanding of each other's ways of thinking and of living. I am certain that we shall work out whatever problems confront us in full realization that the greatest goals of each of us must be the common goals of both of us.

We may look, ladies and gentlemen, to the future with confidence and trust.

We are all going through the kind of experience that led the heads of the Soviet, British, and United States Governments to say in the historic Tehran Declaration:

"We recognize fully the supreme responsibility resting upon us and all the United Nations to make a peace which will command the goodwill of the overwhelming mass of the peoples of the world and banish the scourge and terror of war for many generations. . . . We came here with hope and determination. We leave here, friends in fact, in spirit and in purpose."

My friend, Ambassador Gromyko, allow me, on behalf of the President and the Secretary of State, to convey to you and through you to the Government and the people of the Soviet Union the cordial and warm regard of the American people and its Government, our appreciation of the friendship which exists between us, and our confidence that there is in store for our nations, and for all the United Nations, a future of settled peace and a precious opportunity—such as the world has never known before—to advance the freedom and the well-being of all mankind.

## Treatment of Axis War Criminals

The following *aide-mémoire* is the reply by the Irish Government to the request of the United States Government that adequate measures be taken to insure that Axis war criminals do not find asylum in Eire:<sup>1</sup>

"One. The Irish Government note that the right to grant asylum is not in question and they feel that the United States Government will understand that the Irish Government can give no assurance which would preclude them from exercising that right should justice, charity or the honor or interest of the nation so require.

"Two. The Irish Government wish, moreover, to point to the absence of a comprehensive international code applicable to the subject matter of the request of the United States Government and to the lack of a generally recognized court or procedure for the judicial determination of individual cases.

"Three. On the other hand, since the present war began it has been the uniform practice of the Irish Government to deny admission to all aliens whose presence would be at variance with the policy of neutrality, or detrimental to the interests of the Irish people, or inconsistent with the desire of the Irish people to avoid injury to the interests of friendly states, and that when such aliens land they are deported to their countries of origin as soon as possible. It is not intended to alter this practice."

## Albania's Struggle for Freedom

### STATEMENT BY THE ACTING SECRETARY OF STATE

[Released to the press November 15]

There are two or three resistance groups now fighting in Albania, and the Germans have been driven out of a major part of the country. There will be many problems facing the Albanian people because of the distress created by the occupation, resulting also in part from diverse traditions and cultural background.

This Government has not recognized any single one of the groups as an Albanian authority. However, we have repeatedly emphasized our traditional friendship for the Albanian people and our desire that their full independence shall be achieved.<sup>2</sup>

We expect that in laying the foundations for their regained independence these sturdy people will be guided by a spirit of mutual trust, tolerance, and cooperation in working out their political and social problems.

<sup>1</sup>This reply, which was made public by the Irish Legation in Washington on Nov. 15, 1944, was originally delivered to the American Minister at Dublin on Oct. 9. See BULLETIN of July 31, 1943, p. 62, and Oct. 1, 1944, p. 339.

<sup>2</sup>BULLETIN of Apr. 8, 1944, p. 315.

# Dumbarton Oaks Proposals

Address by EDWIN C. WILSON<sup>1</sup>

[Released to the press November 14]

MR. CHAIRMAN AND GENTLEMEN:

I regard it a privilege to be able to consider with you some features of the proposals for a general international organization which resulted from the recent conversations at Dumbarton Oaks. No group in this country could be more vitally interested in the success of this great effort than you, gentlemen, who are particularly concerned with the improvement of trade and commerce among the nations.

The primary objective of the Dumbarton Oaks proposals is the maintenance of international peace and security. This is a twofold objective. We will all readily agree that in any immediate situation when peace is threatened effective international machinery must be found in order to prevent, and if necessary suppress, threats or acts of aggression. Taking a longer perspective, I think we will also agree that constantly improving economic and social conditions in the various countries will help to create the conditions of stability and well-being on which peace and prosperity so largely depend. Your activity, therefore, can be of the utmost importance in helping to attain the high purposes which have been agreed upon by the representatives of the four nations at Dumbarton Oaks.

I venture to add, what may not always be so readily apparent, that the obverse proposition is also true, namely, that it is only under conditions of order and security that trade and commerce, both within and among nations, can be carried forward with reciprocal advantage. Very few business leaders will today assert that the gains sometimes stimulated by war are more than illusory. I feel certain, therefore, that all of us have a common interest in the principal objectives that

were sought at Dumbarton Oaks, and I believe also that the means proposed for attaining these objectives will merit your general support.

The Dumbarton Oaks proposals have now been before the public for some weeks, and you gentlemen have had an opportunity of examining them in some detail. I need not, therefore, take your time in going through the proposals in any comprehensive way. They are, in any case, relatively simple and readily understood. You are also aware that several open questions were left for further consideration by the four governments with a view to reaching agreement upon them prior to the convening of a wider international conference for drawing up the basic instrument, or charter, of the proposed organization. Some of these questions pertain to voting procedures, to the elaboration or revision of the court statute, to providing for the termination or assimilation of some of the functions and responsibilities which were vested in the League of Nations, and to other problems of a similar character.

And may I add at this point that if agreement was not reached on all these questions in the relatively short time that was available at Dumbarton Oaks it was not because of any fundamental or insuperable differences which developed among the Delegations. All these questions, including the voting question, though difficult, are susceptible of solution, and the fine spirit of cooperation and accommodation which existed among the Delegations at Dumbarton Oaks gives a promise of complete agreement. To establish a general international organization of the scope and magnitude of the one proposed is no small task. The wide area of agreement which was reached was striking, and President Roosevelt himself referred with satisfaction to the fact that "so much could have been accomplished on so difficult a subject in so short a time."

Now I would like to single out for your special consideration several of the principal features of these proposals which I think will be of special interest to you. First, I should like to mention the generally representative character of the proposed

<sup>1</sup>Delivered at the International Trade Luncheon sponsored by the Export Managers Club of New York in conjunction with the 25th Anniversary Conference on International Credit and Finance of the Foreign Credit Interchange Bureau of the National Association of Credit Men at New York on Nov. 14, 1944. Mr. Wilson is Director, Office of Special Political Affairs, Department of State.

Organization. Five of the larger states will, of course, assume special responsibilities for the maintenance of peace and security. This is only natural and even inevitable in the world where nations have such varying capacities. The position of these states in the Security Council, however, should not be regarded as one of *domination* but rather as one of *leadership* and *responsibility* for discharging certain duties which they alone, in view of their industrial and military potentials, are able to fulfil on behalf of the world community. But the Organization is to be open to all peace-loving states, large and small, and Secretary of State Hull has specially stressed this principle. A number of other states will be elected by the General Assembly to the Security Council, and although the voting procedure has not yet been finally determined, it is certain that any enforcement action by the Security Council would require the assent of some of the non-permanent members of the Security Council. Moreover, in the General Assembly all states would be represented, and although the functions of the General Assembly, as we shall see, are not of the same character in the field of security, they are extremely important and far-reaching functions, particularly in the economic and social fields, which would have a very great bearing upon the peace and prosperity of the world. I believe you will agree, therefore, that the proposals, far from being in the nature of a great power alliance, are very definitely based upon the democratic principle.

In the second place, I should like to draw your attention briefly to the arrangements which are proposed for the peaceful settlement of disputes and for the maintenance or restoration of peace and security. There was much experience, some of it sad experience, to draw upon. The Delegations were fully aware of the disappointments and failures of the inter-war period, but they also were fully conscious of the type of organization which has proved to be so successful in winning the present war. Taking these streams of thought and experience as a point of departure, the proposals in a sense codify much that we have learned in these recent years. On the one hand, we now know that to be effective a security organization must be able to act promptly and effectively. Hence, it is provided that a relatively small Security Council of 11 members, including the large states as permanent members, should be given spe-

cial powers to act without being able to shift this responsibility to some other organ, like the General Assembly. The Security Council, of course, does not have such freedom of action that it could be arbitrary in the settlement of disputes or the enforcement of security. Its action must be in accordance with the purposes and principles of the Organization as defined in the basic instrument. It would encourage states to settle their own disputes by peaceful means of their own choice and would intervene only when a situation or dispute actually got to the point where it threatened general peace and security. From that point the Security Council would, however, be empowered to act promptly and decisively and could call upon states to supply, on the basis of special agreements, the forces and facilities necessary to maintain the peace.

An international court of justice would be established as a principal organ of the Organization, and resort to judicial processes for the settlement of disputes would be facilitated and encouraged.

Profiting from the experience of this war, where the combined Chiefs of Staff have been able to plan the conduct of the war so successfully, it is provided—and this is a new feature—that a Military Staff Committee composed of the Chiefs of Staff of the permanent members of the Security Council should be charged with the duty of giving advice and assistance to the Security Council in carrying out its functions.

The Military Staff Committee would advise the Security Council on all questions relating to the Council's military requirements for the maintenance of peace and security, to the employment and command of forces placed at its disposal, to the regulation of armaments, and to possible disarmament. It would also be responsible under the Security Council for the strategic direction of any armed forces placed at its disposal. From this description of its duties it will be clear that great care has been taken to provide an effective instrument for the enforcement of security. In addition to this, it is provided that in cases of emergency national air-force contingents should be held immediately available for combined international enforcement action.

It should also be noted that peaceful settlement of disputes would be encouraged as far as possible through regional agencies or arrangements, and that such regional agencies might be utilized to

assist the Security Council in carrying out enforcement action when it was authorized by the Security Council.

In these several ways the Dumbarton Oaks proposals go considerably farther than any previous plans while yet remaining within the limits of practical experience and political acceptability.

In the third place, I should like to emphasize another feature of the proposals which, I think, may touch more closely upon your own interest and experience. The Dumbarton Oaks proposals have elaborated a mechanism for facilitating and promoting the solution of international economic and social problems which is based upon the philosophy I referred to earlier, that wider economic opportunities and improved conditions of well-being will themselves, in a large degree, take away the occasion for resort to war. There may be international bandits who, obsessed by ideas of world domination, threaten the peace for reasons which are not connected with economic well-being. Such motives readily come to mind when we examine the avowed purposes of some of our present enemies. At the same time, nations which have access to raw materials and whose prosperity is based on trade and commerce are far less likely to launch upon destructive adventures.

This function of encouraging greater and more productive cooperation is entrusted especially to the General Assembly and under its authority to an Economic and Social Council of 18 states-members, which would be assisted by technical-expert commissions of an advisory character on a variety of subjects. The General Assembly would be expected to survey the whole field of economic policy and make recommendations which the Economic and Social Council would be expected to carry out. The latter body could, on its own initiative, make such recommendations to the governments or to the various specialized agencies working in these fields.

Among the specialized agencies now established or projected are such organizations as the International Labor Organization, whose purpose is to encourage the adoption by as many governments as possible of improved labor standards, with the result that the people of no country will be working at a disadvantage; the United Nations Food and Agriculture Organization, whose stated purpose is "to raise levels of nutrition and standards of living, to secure improvements in the efficiency of the production and distribution of all food and

agricultural products . . . and to contribute toward an expanding world economy"; the International Monetary Fund, whose stated purposes are "to facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment . . . to promote exchange stability . . . and to avoid competitive exchange depreciation"; an International Bank for Reconstruction and Development, a stated purpose of which is "to promote the long-range balanced growth of international trade and the maintenance of equilibrium in balances of payments by encouraging international investment for the development of the productive resources of members, thereby assisting in raising productivity, the standard of living and conditions of labor . . .". Other specialized agencies and organizations are yet to be developed in related fields, such as transportation, aviation, communications, cultural relations, etc.

These specialized agencies would, of course, carry out their responsibilities as defined in their statutes or conventions, but it is deemed desirable that the Economic and Social Council and the General Assembly, at the highest political levels, should be able to consider and make recommendations on economic and social policies and activities which transcend the scope of any one specialized agency or even of any one government.

It is obvious that when such a wide variety of related activities are being carried on by these specialized agencies there will be need for some over-all body to consider and recommend ways and means for coordinating the policies of such related agencies to prevent overlapping and working at cross purposes. This is envisaged as the function of the General Assembly and, under its authority, of the Economic and Social Council. This Council would have the duty of receiving and considering reports from the economic, social, and other organizations or agencies brought into relationship with the general organization, and to coordinate their activities through consultation with and recommendations to such organizations or agencies. It should be understood that all these functions are on the plane of recommendatory action and are not executive in character.

All this field of activity is intended to facilitate private enterprise and development and, in those countries where economic enterprise is established on a different basis, to facilitate their eco-

conomic relations with the rest of the world in the most mutually advantageous manner.

One of the stated purposes of the proposed general organization is "to afford a center for harmonizing the actions of nations in the achievement of these common ends". It is a truism that the nations of the world today have become more than ever interdependent. Their industrial and economic life has become so complex and the economic and financial mechanism of nations has become so delicate that disturbances anywhere tend to have profound repercussions in other parts of the world. For this reason international collaboration has become a necessity, and if the Dumbarton Oaks proposals have not elaborated the machinery in greatest detail they have provided ways and means by which these problems can be dealt with in an orderly fashion and in the light of future experience. The proposals are a definite beginning and, I believe you will agree, a hopeful beginning, which opens up a vista of great possibilities for the future.

In closing, gentlemen, may I express the hope that there will be the widest possible study and discussion on these proposals and that you will give us the benefit of your knowledge and experience on these questions. The Government desires to move forward with the confidence which comes from the efforts of men who sincerely desire a world of stability and harmony within which the productive forces of the world can lead us to those higher levels of prosperity and well-being which are the rightful heritage of mankind.

## Inquiries on American Citizens In Certain Italian Districts

[Released to the press November 13]

The American Consulate at Rome is now prepared to receive inquiries and messages regarding the welfare and whereabouts of American citizens who are believed to be residing in the vicinity of Rome or Florence.<sup>1</sup> Communications should be addressed to the Department of State. However, the Department desires to emphasize that it can forward only those inquiries containing no messages unless the interested persons can show that they have been unsuccessful in attempting to communicate with American nationals in the Rome and Florence districts through regular mail channels.

For the time being this service is restricted to inquiries and communications which concern American nationals in or near Rome and Florence, in the Naples consular district, and in Sicily. Communications regarding aliens or persons who are not residing in these areas cannot be accepted.

## Anniversary of the Founding Of the Soviet Union

### MESSAGE OF THE PEOPLE'S COMMISSAR FOR FOREIGN AFFAIRS TO THE ACTING SECRETARY OF STATE

[Released to the press November 17]

Accept, Mr. Stettinius, my sincere thanks to Mr. Hull and to you personally for the congratulations on the occasion of the anniversary of the founding of the Soviet Union. I express my firm conviction that the continuation of the cooperation established between our peoples in the days of war will be a most important factor in the preparation and safeguarding of a lasting and stable peace and the security of peoples.

V. MOLOTOV

## Detention by German Government of Persons Claiming American Citizenship

[Released to the press November 17]

The Department of State has received information which indicates that about 200 persons who claim the citizenship of the United States are being detained by the German Government in a camp at Bergen Belsen, near Hannover, Germany. As the German Government has thus far not allowed representatives of the Swiss Government entrusted with the protection of American interests in Germany or delegates of the International Red Cross to visit the camp at Bergen Belsen, the United States Government is without reliable information regarding the conditions there and the treatment being accorded to the persons detained at the camp. Accordingly, the Department is

<sup>1</sup>For inquiries on American citizens in Paris, see BULLETIN of Oct. 8, 1944, p. 391.

## Declaration Concerning Czechoslovak Army

[Released to the press November 15]

In connection with recent German radio reports of the capture of General Viest, General Golian, and other Czechoslovak officers and soldiers in Slovakia, attention is again called to the declaration made by the United States Government on September 7, 1944 as printed in the BULLETIN on September 10, 1944, page 263.

making efforts through Swiss channels to obtain the names of the persons claiming American citizenship detained at the camp at Bergen Belsen and to arrange for their transfer to an internment camp where American citizens are accorded by the German Government the rights to which they are entitled under existing international agreements and practices.

In order that the Department may assemble as much information as possible in this matter, persons having information indicating that specific individuals with valid claims to American citizenship are detained at Bergen Belsen are requested to provide the Department with such information as they may possess.

## Wheat Shipments to Bolivia From the United States

[Released to the press November 14]

With reference to the press release by the Bolivian Government stating that the Government of the United States had provided wheat to make up deficiencies resulting from a reduction in wheat shipments to Bolivia by Argentina, the Department of State issued the following statement:

The Bolivian Government appealed to the United States for assistance in meeting the shortage of bread with which its people were faced as a consequence of Argentina's action when the Farrell government last month abruptly notified the Government of Bolivia that, beginning immediately, wheat shipments from Argentina to Bolivia would be reduced by 50 percent.

In its press release the Bolivian Government stated that the failure to receive the expected Ar-

gentine shipments resulted from a dislocation of rail transport partly attributable to Argentine Army maneuvers.

The Government of the United States, recognizing the character of the emergency thus created, took immediate action to furnish a large shipment of wheat to Bolivia and to make it available to the Bolivian people at the price that had prevailed locally. The action of the United States in this emergency is in accord with the spirit of cooperation and mutual assistance that prevails among the American republics which are cooperating in the prosecution of the war.

## Welfare of American Citizens In Rumania

[Released to the press November 13]

The Department of State has received information from a newly arrived American representative in Bucharest, Rumania, that American citizens living in Rumania are apparently well and unharmed. This representative, Roy M. Melbourne, a Foreign Service officer, is a member of the staff of the American representative in Rumania, Burton Y. Berry, who has just arrived in Rumania for the protection of American interests. Mr. Melbourne bases his report on personal interviews with individual Americans in Bucharest and on statements of the Swiss Legation hitherto in charge of American interests in Rumania.

As soon as it may be possible for interested persons in the United States to communicate either directly or through the Department of State with their friends or relatives in Rumania the Department will make a further announcement.

## Transfer of Representation of American Interests in Greece To the American Embassy

[Released to the press November 17]

The Department of State has been informed by the American Ambassador, Lincoln MacVeagh, now in Athens, Greece, that the representation of American interests in Greece has been transferred by the Swiss Government to the American Embassy. Mr. MacVeagh states that the Embassy has been established at No. 2 Queen Sofia Boulevard.

# The Allied Blockade

By JOHN V. LOVITT<sup>1</sup>

Lord Nathan in opening the debate on economic warfare in the House of Lords on May 9, 1944 spoke of the blockade of the first World War as a factor that "quite certainly made it possible for us to win", and in the same debate Lord Selborne, the Minister of Economic Warfare, referred to the fact that after the last war the Germans publicly ascribed their defeat to the blockade. They may have exaggerated its effect in order to preserve the illusion of an invincible army. In the present struggle time has been on our side in developing the blockade into one of the most effective instruments of economic warfare.

## I. THE EXPANDING SCOPE OF THE BLOCKADE

The object of a blockade is to keep an enemy from receiving supplies either directly or indirectly through neutral territory, thereby reducing neutral aid to the enemy's war effort.

Enforcement of the Allied blockade ultimately depends upon sea power. Since the Germans had access to the whole Atlantic seaboard after 1940, a diversion from operations of sufficient naval units to visit and search all ships on the high seas would have been impossible. Enforcement therefore shifted from the high seas to control at the source.

To accomplish this shift it was first necessary to control as much tonnage as possible. Neutral tonnage was chartered. If charters were not obtainable, Allied control over bunkering and insurance facilities was relied upon to prevent ship movements except on terms satisfactory to blockade authorities. A large measure of control over essential commodities was attained through the negotiation of a series of over-all contracts with producing countries for the purchase of exportable surpluses of strategic materials. If these contracts could not be made, preclusive purchases would have to be resorted to.

To supplement control over shipping and sources of supply a "financial blockade" was instituted by the blocking of foreign accounts and by permitting their use only for innocent transactions. The enemy was prevented to a large extent from ac-

quiring foreign exchange because all exports from European neutrals were required to be covered by certificates of origin and interest.

Finally the aid which the enemy received directly from a neutral was progressively reduced through the application of the "blacklist" and through the negotiation of war trade agreements.

Firms in neutral countries that traded with the enemy were blacklisted. Such an action, in effect, cut off such firms from supplies through the blockade and from all trade and communications with nationals subject to our jurisdiction. With the announcements in April and September 1944 that the blacklist would be carried into the post-war period, and with increasing Allied military successes, this weapon became most effective. The mere threat of being put on the blacklist induced neutral firms to enter into "undertakings" to eliminate or curtail exports to the enemy. Firms already on the lists took similar action in order to obtain their deletion from the lists.

The most delicate phase of this program was the negotiation of war trade agreements with the European neutrals. To carry out the program the United States relied on control of supplies from overseas and, in special circumstances, the threat of blacklisting. This control was supplemented by moral and political approaches which gained significance as the war progressed. The more important enemy needs were ball bearings and iron ore from Sweden, precision tools and arms from Switzerland, chrome from Turkey, and wolfram (tungsten) from the Iberian Peninsula. These exports became increasingly important to the German war machine as shortages developed in Axis territory as a result of bombing. Complete elimination—or drastic reductions—in these exports to the enemy has now been brought about.

<sup>1</sup>Mr. Lovitt, Adviser, War Areas Economic Division, and Chief of Section on Blockade and the European Neutrals, Office of Wartime Economic Affairs, Department of State, represented the Department in negotiations of war trade agreements with the European neutrals in London, and he is chairman of the Washington Navicert Committee.

The scope of the blockade has surpassed previous attempts: the use of effective controls operating at the source has made visit and search on the high seas practically unnecessary. These controls centered in a technique known as the "navicert system", the elaboration of which is one of the most ingenious developments of the war.

## II. DEVELOPMENT OF THE NAVICERT SYSTEM

### *The Legal Basis of the Blockade*

Although the present Allied blockade in fact is the most extensive in history, in law it is an extension of the belligerent right to seize contraband rather than a "blockade". The right of neutrals to trade with belligerents and the right of belligerents to seize contraband coexist in international law. The development of those rights has had a stormy political and legal history. As a great maritime power, England emphasized the rights of belligerents at sea. Great land powers, such as Germany, opposed any extension of those rights. While it was a neutral in the last war the United States was the outstanding champion of the rights of neutral trade.

Before an article can be classified as contraband it must be susceptible of belligerent use and must have an enemy destination. According to Grotius the three classes of goods are absolute contraband, conditional contraband, and non-contraband. The first class consists of goods of use primarily in war, such as munitions, and is subject to seizure if destined to enemy countries. The second class includes articles that are useful alike in peace or war, such as coal or alcohol. These are subject to seizure only if destined to enemy forces, to enemy bases, or to an enemy government department. The last class, which once embraced such commodities as textiles, hides, wool, and silk, includes today only tobacco and medical supplies.

The length of the list of absolute contraband has grown in proportion to the tremendous expansion of the number of articles susceptible of "military use". The distinction between goods destined for the military and goods intended for the civilian population is largely obliterated because of the complete control exercised by the Axis governments over the distribution of practically all commodities. Conditional contraband therefore in practice is assimilated to absolute contraband. Thus all goods having an enemy

destination with the exception of tobacco and medical supplies are liable to seizure as contraband.

Proof of direct shipment to enemy territory is not necessary in order to meet the requirement of "enemy destination". Under the doctrine of continuous voyage it is sufficient to show only that the ultimate destination is "enemy" even though the ostensible destination is "neutral territory". Direct proof of ultimate "enemy destination" is rarely possible. The Prize Court, however, will entertain a presumption of "enemy destination" if a neutral lying adjacent to enemy territory imports a commodity greatly in excess of its normal requirements.

### *Origin of the Navicert System*

In exercising his rights with respect to contraband a belligerent has the right to divert a ship to one of his ports for examination and for possible adjudication.

During the period of American neutrality in the last war American shippers to Scandinavian ports complained loudly of the inconvenience and delays incident to the exercise of this right of contraband detention. R. P. Skinner, at that time American Consul General in London, suggested that such inconvenience could be avoided if the British would issue a type of passport that would permit innocent cargoes to travel through the blockade. That suggestion was adopted. The shipper thereupon submitted an application, which contained full particulars of the proposed cargo, to the British Embassy in Washington. If the British were satisfied that the consignment was unobjectionable under military regulations the Embassy issued letters of assurance to the shipper which facilitated the passage of his cargo through the blockade. From the code word used to designate them, those letters of assurance became known as "navicerts".

### *The Voluntary System*

By November 1939 navicerts were available, but their use was entirely voluntary on the part of the shippers. Their obvious convenience, however, soon resulted in the system's general acceptance, and then unnavicerted goods could be viewed with suspicion, which while in itself not justifying seizure might result in indefinite detention proving very costly to the shippers.

In addition to the navicert covering cargoes a ship's navicert was available. This would not be granted unless all items of cargo were navicerted. Without a ship's navicert the ship and her unnavicerted cargo might be detained, and even the navicerted cargo might be held up pending forwarding facilities. In his own interest, therefore, a ship-owner would not carry unnavicerted goods, and a shipper would not entrust his cargo to an unnavicerted ship. It thus became unlikely that unnavicerted goods would be shipped at all.

This position was reached about the spring of 1949. It was, however, still a voluntary system, and had neutrals generally refused to apply for navicerts the system could not have been enforced because indiscriminate seizure of goods merely because they were unnavicerted would involve heavy damages.

#### *The "Compulsory" System*

The Reprisal Order-in-Council of July 31, 1940 met that weakness and placed the system on a legal basis. The order established a legal presumption that all unnavicerted goods were going to the enemy and that all unnavicerted ships were carrying contraband; this order made both ship and cargo subject to seizure and removed the liability of the captor for damages upon subsequent release of the goods. The practical effect of the order was to make navicerts compulsory. Since the Prize Court administers international law, the Order-in-Council must have a basis in the law of nations. This basis is found in the right of retaliation against Axis violations of neutrality and against atrocities committed on the high seas.

The sanctions of the navicert system are not only legal but economic as well. The most powerful practical sanction is based upon control of bunkers, supplies, and insurance facilities. These were denied to all except navicerted ships.

As a supplemental precaution ship's masters were required to give an undertaking that no unnavicerted cargo was being carried, and they were required to obtain declarations relating to passengers, crew, and their personal baggage. These undertakings were required in connection with the ship's navicert and the ship's warrant which permitted the ship access to available commercial shipping facilities under British or American control. Holders of ship's warrants could not take a seaman on the blacklist as a member of the

crew. This restriction afforded some control over leakages and smuggling.

### III. CONTROL OVER NEUTRAL IMPORTS

With the development of the navicert system it became possible to "ration" the European neutrals. Blockade quotas of all important commodities were established for Spain, Portugal and her colonies (excluding Portuguese East and West Africa), Sweden, and Switzerland. For Turkey and Eire estimates of requirements took the place of formal quotas. These quotas were based generally on normal requirements for internal consumption, but various considerations, such as enemy deficiencies, were given weight. Quotas were reviewed periodically to allow for changes in internal production, estimate of future crops, development of substitutes, and alternative sources of supply. Navicerts would be refused unless the proposed shipment was within the quota. Quotas were not fixed for every conceivable import. Where there were no formal quotas navicerts were granted or refused largely as a matter of discretion on an *ad hoc* basis with reference to minimum requirements.

Reference has already been made to the blacklists of firms in neutral countries. Firms might be placed on the lists either because they were in part enemy owned or dominated or because they assisted the enemy through their exports or indulged in Nazi propaganda or engaged in pro-Nazi activities. The British list was known as the Statutory List; the American was called the Proclaimed List. The British and American lists came to be virtually identical.

The requirement of international law that contraband must have an enemy destination was not met merely by showing that the consignee was on the blacklist or, in other words, was an "enemy by specification" only. The prevailing view is that proof must go further and show that the consignee is in fact enemy controlled or dominated. Thus cargoes consigned to a firm which was on the blacklist solely because of undesirable political activity could not be condemned in the Prize Court. It was, nevertheless, desirable to bring pressure on such a firm and to add sanctions to the blacklist generally. Navicerts were therefore refused if either the consignor or consignee was on the blacklist.

Exports from the United States to the European neutrals and certain other selected designations (Portuguese Atlantic colonies, Portuguese Guinea, Spanish Atlantic islands, Spanish Morocco, and Tangier) were controlled by export licenses issued by the Foreign Economic Administration, but these licenses were referred to the Anglo-American Blockade Committee in London for quota and consignee clearance. Exports from the United Kingdom and the British Dominions and Colonies were similarly controlled by export licenses issued by the Board of Trade and similarly cleared for blockade consideration.

Certain refinements in the navicert procedure should be mentioned for the sake of completeness. Where it was essential to control the "end use" of an import into neutral Europe the consignee instead of the consignor applied for the pass—in this case called a "blockade control permit" instead of a navicert. Lists of goods subject to this "inverted procedure" were established principally for Sweden and Switzerland. This procedure simplified investigation of consignee uses.

Another refinement in procedure related to navicert applications covering commodities in short supply coming from Latin America. These were referred to Washington before being acted upon in London. It was naturally to our interest to conserve such commodities, but where, for instance, the proposed shipment was within a blockade quota established by a war trade agreement with the European neutral of destination, the Blockade Committee took the view that there was no proper basis for refusing the application. The Washington Committee was often able to justify refusal on the basis of an agreement with the exporting country reserving the entire exportable surplus of the commodity involved or through diplomatic approaches prevent the issuance of an export license by the country of origin. The more important Latin American commodities in short supply and covered by over-all contracts were: Cinchona bark (quinine), sisal, mica, rubber, industrial diamonds, lead, zinc, tin, copper, cobalt, nickel, platinum, and tungsten. Germany is particularly short in the steel alloys.

As an additional precaution, in many cases before granting a navicert the Blockade Committee would insist that the consignee give a guaranty against reexport.

As the list of scarce commodities lengthened with the progress of the war and most commodi-

ties became subject to allocations it became more difficult for the neutrals to obtain supplies to fill their blockade quotas. They were therefore willing to forego a large portion of their quotas in return for an assurance of supply in smaller amounts, or "basic rations". These assurances implied an actual allocation by combined supply authorities. This system was notably invoked in the case of Sweden.

#### IV. CONTROL OVER NEUTRAL EXPORTS

Of almost as much importance as the control of imports into neutral territory giving access to the enemy was the destruction of enemy export trade, thus disabling him from obtaining foreign exchange with which to purchase supplies, carry on propaganda, or otherwise advance his war efforts from the outside. This, however, presented a legal difficulty: The Declaration of Paris established the principle that the neutral flag covered enemy goods (except contraband), and so by shipping through neutral countries and on neutral ships enemy goods might escape capture.

The Order-in-Council of July 31, 1940, based on the right of retaliation, again came to the rescue. This order established a presumption that goods shipped from any port from which goods of enemy origin or ownership might have been shipped are of enemy origin and ownership and liable to condemnation unless covered by a "certificate of origin and interest" issued by a British consul upon evidence that the goods are free from such enemy taint. No neutral ship could carry non-certificated cargoes and obtain a ship's navicert.

In order to accommodate industries in neutral European countries forced to rely to some extent on Axis countries for raw materials or parts, an enemy content of five percent by value of labor or material was permitted. In the case of Switzerland an enemy content of 25 percent was allowed, partly in recognition of the character of her manufactures and limited resources of industrial raw materials and partly in consideration of certain financial arrangements by virtue of which Swiss francs were made available to the Allied treasuries.

If the enemy content of a neutral export exceeded the permitted percentage, but if the article was nevertheless required to fill British or American needs, the export could still be made under an "export pass" issued by the Enemy Exports Section of the Blockade Committee. Swiss bolting-

cloth is a case in point. This cloth is made from Italian silk, the enemy content of which is therefore above that permitted. It is used in flour-milling and certain wartime processes. Export passes accordingly were issued freely to cover this material, for which there apparently is no substitute.

#### V. THE BLOCKADE COMMITTEE

The enforcement of the blockade centers in the Blockade Committee, which meets daily in Berkeley Square House, the quarters of the British Ministry of Economic Warfare. When the United States Government commenced participation in the Blockade Committee shortly after Pearl Harbor it was agreed that the two governments would have equal voice in the decisions of the Committee and its subcommittee regardless of navicert representation.

The Blockade Committee is presided over by Lord Finlay, a distinguished justice of the High Court. It functions in three sections, the Contraband, Permits, and Enemy Exports Sections.

The Contraband Section determines whether there is a *prima facie* case for seizure of a ship or cargo and passes on all navicert questions which cannot be decided by the navicert committees of the Ministry of Economic Warfare. It acts in a quasi-judicial capacity. Lord Finlay is chairman, and with him sit representatives of the American Embassy, the Admiralty, the Foreign Office, the Procurator General's Office, and the Black List Section of the Ministry.

The Permits Section fixes the blockade quotas within which the neutrals are permitted to import through the blockade. Its chairman is Lord Farrer, the head of the Information and Procurement Department of the Ministry. He sits with representatives of the Ministry in charge of neutral trade and representatives of the American Embassy.

The Enemy Exports Section has charge of the granting of "certificates of origin and interest" and "export passes" where the enemy content exceeds five percent (25 percent in the case of Switzerland). Lord Finlay is chairman and is assisted by representatives of the American Embassy, the Admiralty, the Foreign Office, and various Departments of the Ministry.

The Blockade Committee sits as a whole to decide general matters of blockade policy and to

consider difficult questions which arise in the different sections.

#### VI. THE NAVICERT COMMITTEES

By far the majority of cases are decided in the daily meetings of the navicert committees on lines clearly laid down by the Blockade Committee. There is a committee for each of the European neutrals within the navicert area. The committee consists of representatives of the Neutral Trade Section of the Ministry whose work has to do with the particular neutral, a representative of the Black List Section of the Ministry, a representative of the Navicert Subsection, and a representative of the American Embassy. The navicert committee decides all cases which do not warrant consideration by the Blockade Committee. For instance, this committee would approve or reject the application if the quota is "open" or "closed", provided in the former instance that the blacklist representative confirms that the status of the parties is "white". Where necessary, approval is made subject to the receipt of a guaranty from the consignee that the goods will be used in a satisfactory manner.

The decisions of the navicert committees are referred to the Navicert Subsection for necessary action—that is, to request a guaranty or to notify the decision to the post which referred the application. Cases which the committees cannot decide are presented to the Blockade Committee.

The Navicert Subsection is the secretariat for the whole navicert system. The traffic officer of the Subsection receives the telegraphed particulars of an application for a navicert from the field. He distributes them to the proper geographic group, where the application is "journalized" and entered on the agenda for the daily committee meeting. At meetings the representative of the Subsection acts as secretary of the navicert committee and reports any decisions. The Section then proceeds to carry out the decision, to make the proper entries in the register, and subsequently to check against manifests of actual shipment.

#### VII. THE CONTROL FINALLY ACHIEVED THROUGH THE NAVICERT SYSTEM

Offered originally as a convenience to a neutral shipper as an alternate to the delays incident to contraband detention, the navicert system de-

(Continued on page 615)

# Conference of Allied Ministers of Education

By RALPH E. TURNER and HOPE SEWELL FRENCH<sup>1</sup>

IN THE autumn of 1942 the Ministers of Education of the governments temporarily located in London were called together by the British Council, the agency of the British Government responsible for cultural relations with other countries. In order to cooperate in studying and planning for the reestablishment of normal cultural and educational life in the occupied countries, a decision was made to form the Conference of Allied Ministers of Education. From the beginning the Conference was composed of representatives of Belgium, Czechoslovakia, France, Greece, Luxembourg, the Netherlands, Norway, Poland, Yugoslavia, and Great Britain. The British Minister of Education, R. A. Butler, became chairman of the Conference. Early in the life of the organization observers were sent to it by China, India, the Union of Soviet Socialist Republics, the United States, and the four British Dominions.

The Ministers of Education of the occupied countries are concerned with the problems which will confront them upon the return of their governments. The work of the Conference, which has shown a spirit of cooperation on questions of common concern, has been focused very sharply on these practical problems. This group has not given consideration to the question of control and reform of education in enemy countries; nor has the Conference been disposed to attempt any control of education in the participating countries.

The Department of State has carefully weighed the interest of the United States in this problem of educational rehabilitation. It was felt that the loss of educational facilities in liberated areas and the death of scientists and teachers in those countries would produce intellectual and social conditions which unavoidably would tend toward internal disorder and external difficulties and that these losses would create new threats to the economic and political stability of the world. The

Department of State concluded that the participation of the United States Government in an international program to provide assistance to liberated countries in reestablishing their essential educational and cultural facilities would be an important service to world security and hence to our national interest.<sup>2</sup>

The Conference of Allied Ministers of Education in London has been concerned primarily with plans for securing materials which will make it possible for the liberated European countries to reopen their schools and universities. Elementary schools will need rudimentary supplies such as desks, pens, pencils, paper, slates, and books. Universities and higher technical institutions whose libraries have been destroyed will need books, and they will have to secure publications which have appeared since the outbreak of the war. Scientific and laboratory equipment will be required to instruct students in engineering and medicine in order that they may join effectively in the reconstruction of their countries. New teachers must be trained and former ones retrained. All these problems and others have been studied by the Conference.

As to the financing of this reconstruction program, it should be pointed out that certain of the countries will bear the entire cost themselves; other countries whose educational facilities and economic life have been extensively destroyed will require assistance in some form. The plan of giving assistance has not been finally determined.

One of the earliest-established commissions of the Conference is the Commission on Basic Scholastic Equipment. Its members have considered the basic needs for the reopening of schools in liberated countries. If children are to return to a normal life and are to take their places in schools once again after five years of Nazi disruption basic materials will have to be supplied; pens, pencils, slates, paper, textbooks, and many other items will be needed. The Commission, therefore, has defined a minimum standard unit for estimating need and has considered various ways by which this need can be met.

<sup>1</sup>Dr. Turner was formerly Assistant Chief of the Division of Cultural Cooperation, Office of Public Information, Department of State. Miss French is Cultural Relations Reporter, American Embassy, London.

<sup>2</sup>BULLETIN of Apr. 1, 1944, p. 299.

The Commission on Scientific and Laboratory Equipment has made considerable headway in obtaining information and in making estimates for the vast reconstruction needs in the scientific field. The whole range of scientific and laboratory equipment used in education for trade and craft schools as well as technical and professional colleges and research institutions must be estimated and supplied. The index of various kinds of equipment required will list approximately 10,000 items.

An important factor in the replacement of scientific equipment is the desire on the part of European countries not to become dependent again upon German sources of supply, since experience has shown them that dependence on the use of German scientific apparatus involves a dependence upon German education, technical services, and industry. Consequently American and British industries will probably receive from European countries large initial orders for scientific equipment.

One of the most active commissions is the one on books and periodicals. It has undertaken to perform a dual function: first, to obtain books and periodicals published since the outbreak of the war for the libraries of the devastated countries, and second, to encourage the production of certain books, especially in the field of history, for general educational use by the member nations. The Books and Periodicals Commission has under way projects for restoring libraries by the salvaging of books from British libraries and from other stocks and by securing contributions from the public through a book drive. It is hoped that the drive will secure a million copies.

Another project is the building-up of a book pool, which now consists of about 2,000 copies of the best books published in England since 1939 and of nearly 400 British periodicals. It is proposed to furnish to each devastated country one set of these books. Each country may purchase further sets with its own funds. A building to house this rapidly increasing collection has recently been made available in London by the British Government. An Inter-Allied Book Center Committee has been created to take charge of this work.

It should be added that these preliminary undertakings are not thought to be adequate to restore fully the libraries of Europe which have been destroyed. The American Library Association

and other bodies in the United States are working on collections of books published in this country to supplement the British project. An inclusive program for the restoration of library facilities in war-torn countries has not yet been planned.

The Commission on Films and Visual Aids has undertaken to prepare the framework for an increased use of radio and motion pictures and other aural and visual aids in the schools of post-war Europe. Although these aids were used to a limited extent in European schools before the war, the Ministers of Education of the various countries are interested in modernizing and extending their school systems.

The need for teaching personnel in the liberated countries is a serious one, since thousands of teachers and scientists have been killed or broken in health by the Nazis. For the past five years no new generations of teachers have been trained in some of the countries. Consequently the Ministers of Education at the Conference in London have been acutely concerned with this teacher-training problem. During the war Czechs and Poles and other nationals in very limited numbers from the armed services have been receiving higher education in Britain; interned Polish soldiers in Switzerland have also been receiving university training.

The Conference has had no special commission to deal with this teacher problem. Each nation has considered its own internal program and has explored the possibilities of securing assistance in the less devastated countries. Pending the development of the national educational institutions the institutions in Great Britain and the United States will be the principal source of aid in training. The devastated countries are emphatic in their refusal to continue sending students to Germany for university, professional, or technical education. Most of the countries, as soon as they have restored standards of higher education, would like to have American students come to their universities.

Besides the restitution of libraries there is the vast problem of recovering and restoring to their rightful owners objects of art and archives looted by the Axis from European museums, art galleries, and archives. The Conference is investigating this problem through its Commission on the Protection and Restitution of Cultural Materials. Both in the United States, through the American Commis-

sion for the Protection and Salvage of Artistic and Historic Monuments in War Areas (generally known as the Roberts Commission), and in Great Britain, through various private bodies and the Conference Commission, private research work has been in progress for some time on the location of looted art objects, archival materials, rare manuscripts, and precious books. In May 1944 the British set up an official advisory body, the Macmillan Committee, which is the counterpart of the American Roberts Commission.

The information gathered by the Commission and the results of its deliberations are to be held available for the agencies which will have to carry out the terms of the peace.

The Commissions mentioned are only a part of the machinery of the Conference of Allied Ministers of Education; they make exploratory studies and recommend action. Decisions on action and policy, however, must be made by two higher units: the Conference body itself and the Inter-Allied Bureau. The Conference meets every two months with a full complement of delegates and observers. The Inter-Allied Bureau, the executive arm created in the autumn of 1943, has only 11 representatives. It is based on group representation with the principle of rotation determining its members. The smaller western European nations—Belgium, Luxembourg, the Netherlands, and Norway—form Group A with two representatives. The smaller eastern European nations—Czechoslovakia, Greece, Poland, and Yugoslavia—constitute Group B with two representatives. The English-speaking dominions and India form Group C with one representative. Group D, with one representative, is designated for the Allied states of Central and South America, which at present do not take part in the Conference. China, France, Great Britain, the Soviet Union, and the United States are accorded one representative each. In the original plan for the Conference the Soviet Union, China, and the United States did not take membership in the Conference.

In May 1943 the American Embassy in London sent to the Conference and Commission meetings observers, who in turn reported to the Department of State. Since that time the United States Government has shown a steadily increasing interest.<sup>3</sup> In the autumn of 1943 it sent to London for two

months Ralph Turner of the Department of State as an official observer.

On April 1, 1944 the American Education Delegation was sent to London to participate in discussions for expanding the scope of the Conference. The members of the Delegation were Congressman J. William Fulbright, chairman of the Delegation, the Honorable Archibald MacLeish, Librarian of Congress, Dr. John W. Studebaker, United States Commissioner of Education, Professor C. Mildred Thompson, Dean of Vassar College, and Dr. Ralph Turner and Dr. Grayson Kefauver of the Department of State.

Although the United States is not an official member of the Conference of Allied Ministers of Education the American observers during 1943 and the Delegation in April 1944 have collaborated extensively with it; they have attended the meetings regularly and have carried on detailed conversations with both delegates and observers.

Since the American Delegation went to London last April the relationship of the United States has changed from that of observer to that of a cooperating nation participating actively in the deliberations of the Conference. Grayson Kefauver, a member of the original Delegation, has remained in London as continuing United States Delegate. In this capacity he has participated in the work of the various Commissions and has carried forward discussions with the Ministers of Education and their staffs concerning problems and plans for the reestablishment of normal educational and cultural life. He has also made studies regarding the plans for the United Nations Organization for Educational and Cultural Reconstruction.

For a considerable period members and observers of the Conference discussed the necessity of turning the present body into a United Nations organization for educational and cultural reconstruction. Definite action was taken at the April meeting. A draft of a tentative plan for a United Nations agency was prepared which has been submitted to the 44 United and Associated Nations—including the United States—for study and comment. After it has been approved by as many as 20 countries the draft constitution will be reconsidered in the light of the amendments proposed by the agreeing nations and a final form agreed upon for submittal to the different governments for official action.

<sup>3</sup> BULLETIN of May 13, 1944, p. 433.

The present draft states the reasons why international cooperation in educational reconstruction should be attempted; it defines the functions of the organization; and it indicates that membership shall be open to all the United and Associated Nations and to such other nations as shall be accepted by the Assembly after the close of hostilities.

Although this projected Organization for Educational and Cultural Reconstruction would at first be concerned with the emergency work of restoring essential educational facilities and cultural institutions destroyed by the Axis powers, this experience would be expected to create a basis for lasting international cooperation in educational and cultural fields.

## Netherlands Indies: Internal Political Structure

By AMRY VANDENBOSCH<sup>1</sup>

### I. INTERNAL POLITICAL DEVELOPMENT

*Central Government.* The Netherlands Indies Government has been headed by a Governor General appointed by the Crown and responsible to the Minister of Colonies and through him to the States General. The Governor General has possessed very great powers. Except for some positions which were filled by the Crown, his appointive powers were practically unlimited. He shared the legislative power with the *Volksraad*; when unable to obtain its approval for a measure he had, in case of emergency, the power to issue it in the form of an executive decree. Attached to the Governor General was the Council of the Indies, which was composed of five experienced administrators.<sup>2</sup> While the Council of the Indies still enjoyed much prestige, its actual influence had waned. The Governor General, although free to consult it on a number of specific subjects, required the concurrence of the Council in only a small number of matters. In recent years the directors of the administrative departments had come in large measure to replace the Council of the Indies as the advisers of the Governor General.

Exclusive of the chairman, the *Volksraad* had a membership of 60. Under the provisions of the Indies Government Act, 30 seats were reserved for Indonesians, 25 for Netherlanders, and five for non-indigenous Asiatics. Ten of the Indonesian, ten of the Dutch, and two of the non-indigenous Asiatic seats were filled by appointment of the Governor General; the remaining seats were elective under a system of separate racial electorates, indirect voting, and proportional representation. The members of the local regency and municipal councils formed the electorates.

*Intermediate Government.* Before the creation of the provinces the Indies Government was highly centralized, but in the decade and a half after 1925 considerable progress was made in the creation of intermediate governments. Java was divided into three provinces: West Java (1926), East Java, including Madura (1929), and Central Java (1930). After several years of discussion and preparation the Outer Islands were finally (1938) organized into three "governments": Sumatra, Borneo, and the Great East. The chief difference between a province and a "government" was that the latter did not yet have a representative body. At the head of both provinces and governments were governors, appointed by and responsible to the Governor General. With regard to purely provincial matters the governors of the provinces were responsible to the provincial council. The members of the provincial councils were chosen in the same manner as members of the *Volksraad*, and the seats were distributed among the racial groups in about the same ratios.

The Dutch used indirect rule wherever possible. In Java and Madura it was upon the regency, with the semi-hereditary regent at its head, and upon the four native states of Central Java, with their Javanese princes, that the superstructure of the Dutch administration was built. In the Outer Islands the native states had many forms but were for the most part petty sultanates.

<sup>1</sup>Mr. Vandenbosch was formerly a Principal Divisional Assistant in the Far Eastern Unit, Division of Territorial Studies, Office of Special Political Affairs, Department of State.

<sup>2</sup>For a few years in the early 1930's it was composed of seven members.

Sixty-two percent of the area of the Outer Islands, with a little less than one half of the population, was under indirect rule. In the Indies as a whole there were 278 native states, of which 223 had a population of less than 50,000, and two, both in Java, had a population of over 1,000,000. The native states had jurisdiction only over their own indigenous population.

*Local Government.* The provinces of Java were divided into regencies, about 70 in all, with semi-hereditary Javanese regents at their head. The population of the regencies varied from 500,000 to 1,000,000. Attached to each regency was a council in which the Indonesians had an overwhelming majority. In the Outer Islands the Indies Government was attempting to develop group communities as units of democratic government. The Minangkaba tribe of Sumatra was organized on these lines, and its council was regarded as a successful instrument of rule.

Because the cities contained a large European population and because most of their problems were technical in character, governments of urban municipalities were largely controlled by Europeans. The composition of the municipal council differed from that of the provincial and regency councils in that all its members were elective. All members of the municipal councils and also the European and non-indigenous Asiatic members of the other local councils were elected by direct vote of the eligible voters, while the Indonesian members of the regency councils and provincial councils were elected by indirect vote, each elector representing 500 voters.

All Indonesians who were Netherlands subjects, who were 21 years of age and were residents of the regency, and who paid a tax to the regency, province, or central government were eligible to vote. The qualifications for an elector were, in addition to the above, that he be at least 25 years of age, male, and able to read or write. Qualifications for municipal franchise were the same for all races, and were as follows: Dutch nationality; a minimum age of 21 years; ability to read and write Dutch, Malay, or the local language; residence within the city; and payment of income tax on an income of at least 300 florins a year.

*Racial Differentiation.* One notable feature of the Dutch policy in the Indies is the extent to which differentiation based upon race prevails. This distinction is most marked in the legal, edu-

catational, political, and administrative systems. Racial discrimination is not the object, for the Dutch in the Indies have been remarkably free from racial feeling. The policy was never consciously adopted; it just grew. In recent decades it has come increasingly under criticism. The justification most frequently advanced has been that the social needs of the different racial groups differ greatly and cannot be met by legislation applying to all groups alike. In the Indies Government Act and in Indies legislation the population was classified into three groups: Europeans, Indonesians, and non-indigenous Asiatics.

In education there has been differentiation at the base and unification at the top. There have been separate elementary schools for Europeans, Chinese, and Indonesians, in which the children have been taught in their mother tongue. Instruction in the intermediate schools and the higher professional schools was in Dutch; it was open to members of all races without discrimination. The Indonesians have remained under the customary law of their own ethnic group, unless they chose to assume the status of Europeans. For the other two main groups, however, a large measure of unification has been achieved. With the exception of criminal procedural law and some rules of family law, the Chinese have been assimilated to Europeans. However, there was the provision in the Organic Act that land could not be alienated to non-indigenous persons—a provision which has had profound consequences for the social and economic life of the country. Non-indigenous persons and corporations obtained use of the land necessary for their operations by long-time leases of public lands or by renting from the native peasants. Administrative positions were generally open to Dutch subjects regardless of race. An exception, however, was the highly important Department of Interior Administration, which was divided into a European and an Indonesian Corps, the two being kept quite distinct. In Java the European Corps was gradually being withdrawn from the lower branches of the services. The Indies population was likewise divided into the three main groups for electoral purposes. Each group was a separate electoral corps, and to each group a fixed number of seats in the representative bodies was assigned.

There was a great deal of criticism of the principle of racial differentiation. The Visman Com-

mission<sup>3</sup> found among all population groups an intense desire for the abolition of most of its forms. There was one important exception, however. Virtually all the natives who were questioned desired the retention of the present land laws which limit the ownership of land to native Indonesians. Drastic changes in respect to racial differentiation may be expected in the general constitutional and political reforms which are likely to occur after the liberation. Abolition of differentiation in the electoral function would, however, place minority groups at a decided disadvantage as opposed to the Indonesians, and members of these groups have therefore opposed it.

*Indonesian Participation in Administration.* Exclusive of persons employed by the hour, day, or month there was on October 1, 1938 a total of 73,354 employees of the central government. They were distributed among the various population groups as follows:

Racial groups	Number	Percent
Europeans	14,395	19.64
Indonesians	57,252	78.05
Assimilated Indonesians	789	1.07
Chinese	721	.98
Assimilated Chinese	174	.23
Other non-indigenous Asiatics	23	.03
Total	73,354	100.00

These figures do not include the employees of the local governments. In these positions the proportion of Indonesians is naturally much higher. Of the 14,395 European employees, about one half were recruited in the Netherlands; the other half were predominantly Eurasian.

Even more significant than the percentage of all the positions held is, of course, the type of position held by each population group, as indicated in the following table:

Racial groups	Lower personnel	Lower intermediate	Purely intermediate	Higher personnel
European	0.6	33.3	57.6	92.2
Indonesians	98.9	60.6	38.0	6.4
Assimilated Indonesians	0.2	3.4	2.0	0.5
Chinese	0.3	2.3	1.5	0.3
Assimilated Chinese		0.4	0.9	0.6
Total	100.0	100.0	100.0	100.0

Lower administrative offices were filled almost exclusively by Indonesians; intermediate positions were shared by Indonesians and Eurasians; the lower intermediate positions were filled predomi-

nantly by Indonesians; and the purely intermediate predominately by Eurasians. The higher personnel is still overwhelmingly Dutch.

As a result of the late development of higher education in the Indies, few Indonesians were found in positions requiring college or professional training. In the decade from 1928 to 1938 the Indonesians had made considerable progress, but it is significant that aside from the important semi-hereditary position of regent the Indonesians had been entrusted with few highly responsible positions. Of the executive departments only one, the Department of Education, has had an Indonesian as director. One large city in Java—Bandung—has had an Indonesian mayor. Only in the last decade has an Indonesian been elevated to the Council of the Indies; in the last few years before 1941 two of its five members were Indonesians.

Indonesians frequently served on the Netherlands Delegation to the Assembly of the League of Nations and to International Labor Conferences. One of the Netherlands representatives on the International Tin Committee was also Indonesian. After the Japanese occupation of the Indies an Indonesian was made a member of the Netherlands Cabinet in London as minister without portfolio (P. A. A. Soejono, who died on January 5, 1943).

*Indonesian Participation in Representative Bodies.* In the representative bodies the number of seats for each racial group was fixed by law. One half, or 30, of the seats in the *Folksraad* were reserved for Indonesians, five for non-indigenous Asiatics, and 25 for Netherlanders. The seats in the provincial councils were distributed among the racial groups in practically the same proportion. In the regency councils the Indonesians had an overwhelming majority, since only a few seats were reserved for Europeans and Chinese. The urban municipalities were regarded primarily as European institutions and the control of them was definitely European.

## II. NATIONALIST MOVEMENTS

### *Indonesian Nationalism*

Though the nationalist movement had made considerable headway after the establishment of

<sup>3</sup> A commission appointed by the Governor General in September 1940 to ascertain the wishes of the peoples of the Indies for governmental reforms. It issued its report just previous to the Japanese invasion.

the *Volksraad* in 1918, it was still young and immature in 1941 and had not yet penetrated deeply into native society. It was strongest in Java and in certain areas of Sumatra like the Minangkabau region. With the exception of a few centers (Minahassa in northeastern Celebes, Ambon, and Timor), Borneo and the Great East were untouched by it. Membership in Indonesian political organizations probably did not exceed 125,000. The party organizations were numerous and unstable; parties waxed and waned, joined forces, and fell apart in rapid succession. The immaturity of the nationalist movement was due to a number of factors, among which the following may be named: The relative geographic isolation of many of the numerous islands; the diversity of cultural development of the peoples of countries; the brief period in which large parts of the Indies have been under effective administrative control; the tardiness with which Western lower, and especially higher, education was introduced; the wide use of indirect rule; the legal, cultural, and political assimilation of the Eurasians with the Dutch; and the rigid Dutch control of political activity among the natives. Considering the initial handicaps it had to overcome, the nationalist movement had made truly remarkable progress, though it had not yet produced an outstanding leader.

#### *Chinese Groupings*

Relations between the Indonesians and the Chinese were not always of the most friendly character, chiefly for the reason that Indonesian laborers, small businessmen, and intellectuals met with severe competition from the numerous Chinese. The political loyalties of the Chinese were divided. One third of the Chinese were not born in the Indies, and among them were many coolies, who were politically indifferent. The politically conscious Chinese were divided into three groups. There was one group whose political interests were largely centered on China. Of the other two groups, which had turned their minds wholly to the Indies, one of them identified its interests with the Dutch and sought to maintain and promote the welfare of the Chinese in cooperation with the Europeans. A small third group of Chinese had been assimilated to the Indonesian population and made common cause with the Indonesian nationalists. The Arabs were divided in much the same way, except for the absence of an Arab coolie class.

#### *Indo-European Union*

The strongest and most homogeneous party in the Indies was the Indo-European Union. Nominally a party of all those who considered the Indies as their home, it was in fact the party of the Eurasians. Although very loyal to the Netherlands, it sharply opposed the Government on a number of issues. In the 1930's it became more critical of governmental policy and joined with the Indonesian nationalists in demanding greater autonomy for the Indies Government.

In the earlier days of the *Volksraad* "associationist parties", that is, parties seeking their membership among all racial groups, were fairly strong, but they declined with the rise of the nationalist movement. Where they have been held together by religious principles, as for example in the Christian Political Party and the Catholic Party, they have shown some degree of permanence.

#### III. IMPERIAL STATUS OF THE NETHERLANDS INDIES

In 1922 the term "colonies and possessions in other parts of the world" was removed from the Netherlands Constitution, and provision was made for giving the East Indies Government greater autonomy. In 1925 the Indies Government Act was revised to conform to the revised articles of the Constitution. While the Indies Government was granted a larger measure of autonomy, it was still far from achieving complete autonomy. The Governor General had charge of the general administration, but he exercised his functions in accordance with the directives of the Crown. Thus, the Governor General remained responsible for general policy to the Minister of Colonies, who in turn was responsible to the States General. The States General retained the right to legislate on all Indies matters. However, before legislating on any matter affecting the Indies it was required to consult the *Volksraad*. The annual budget of the Indies Government had to be approved by the States General, which also resolved budgetary deadlocks between the Governor General and the *Volksraad*.

The Crown enjoyed a wide power of appointment and removal. In addition to the Governor General and Lieutenant Governor General the Crown appointed the chairman of the *Volksraad*, the vice president and members of the Council of the Indies, the president of the High Court, the

commander in chief of the Indies Army, the commander in chief of the Navy in the Indies waters, and the chairman and members of the Auditing Office.

The Governor General was invested with very wide powers. Even after the reorganization the administrative system was highly centralized, and there was little constitutional check on the powers of the Governor General. After 1927 he shared the legislative power with the *Volksraad*, and deadlocks between the two were resolved in different ways. In case a bill sent to the *Volksraad* by the Governor General did not receive the concurrence of that body, the bill could be sent back to it for reconsideration, but such resubmission had to take place within six months of the rejection either by the Governor General or by the *Volksraad*. If still no agreement was reached, the regulation could be enacted by a general administrative order of the Crown. If the *Volksraad* failed to give its concurrence within a specified period to a bill sent in by the Governor General, and if circumstances demanded immediate action, the Governor General had power to issue ordinances under his own authority.

With the German invasion of the Netherlands the authority of the home government naturally declined and the actual authority of the Governor General increased, as opposed to that of the Crown; on the other hand, the necessity for cooperation between the Governor General and the *Volksraad* likewise increased. A much larger autonomy for the Indies Government resulted. The government in London tended rapidly to become an imperial rather than a national government. At the same time every phase of Indies society—cultural, economic, and educational—became more autonomous or independent. Beginning with the depression and continuing increasingly during the years of international tension, the various peoples of the Indies drew closer together.

#### IV. EFFECTS OF THE JAPANESE INVASION

What effects the Japanese occupation will have on political attitudes and political evolution in the Indies can be only a matter of conjecture. Only meager reports have come out of the Indies since the Japanese occupation. Because of lack of personnel the Japanese may be using Indonesians extensively in administrative positions, both in government and in commerce and industry, though

(Continued on page 613)

## Present Ordeal of the Netherlands

### MESSAGE FROM QUEEN WILHELMINA OF THE NETHERLANDS TO THE PRESIDENT

[Released to the press November 15]

NOVEMBER 11, 1944.

I offer you my sincerest thanks for your very kind telegram and especially for your warm solicitude for The Netherlands in their present ordeal. The suffering of that part of the country which is not yet liberated is daily growing more and more terrible as winter sets in. I am most grateful to you for your active help in order that relief be brought with the least possible delay.

WILHELMINA

## Discussions by Cuban and United States Commissions

[Released to the press November 15]

Discussions of the Cuban and United States commissions on purchases by United States Government agencies of sugar, molasses, and alcohol from Cuba were resumed at the end of October. The conversations which followed were conducted in a spirit of mutual cooperation, and substantial progress was made toward reaching a satisfactory agreement.

The discussions have now been suspended, and the Cuban commission is going back to Cuba to inform the Government and the associations of *colonos* (cane-planters) and *hacendados* (mill-owners) about the negotiations.

## The Proclaimed List

[Released to the press November 19]

The Acting Secretary of State, acting in conjunction with the Acting Secretary of the Treasury, the Attorney General, the Acting Secretary of Commerce, the Administrator of the Foreign Economic Administration, and the Acting Coordinator of Inter-American Affairs, on November 18 issued Cumulative Supplement 3 to Revision VIII of the Proclaimed List of Certain Blocked Nationals, promulgated September 13, 1944.

Part I of Cumulative Supplement 3 contains 37 additional listings in the other American republics and 160 deletions. Part II contains 84 additional listings outside the American republics and 62 deletions.

# An Integrated Post-War Economic Program

Address by CHARLES P. TAFT<sup>1</sup>

[Released to the press November 14]

This Nation has during its 168 years been an object of interest to the Old World and for over 100 years to the Far East. But never before has it occupied such a strategic position in the world or more justified the title of a world power. For what do we use that power? That is the question.

We have just finished the greatest demonstration in the world's history of democracy in action, an election for President carried through in the midst of a life-and-death struggle for our continued existence. It is a true modern miracle that in a nation of 135 million people of every race and color a decision of greatest moment should be made in one way because three million more people voted that way, and twenty-one million people who were outvoted accepted the decision without the slightest question. We all closed ranks and marched on. We all know with what supreme interest the people of every nation watched that election. Do you think that this basic lesson of democracy was lost on their minds? Its reverberations will go down the centuries when Hitler and the crop he raised from his dragon's teeth are buried for good.

So I say again, What do we use this power for? Will the rest of our conduct toward the nations of the world destroy all the effects of this noble lesson in democratic political science?

We are not likely to damage our influence lastingly by aggression or by a lack of concern for the interest of people. We are if at all on the side of altruism in our political conduct. But we can do and have done great damage to neighbors around the world by our conduct in economic affairs. People react violently to the pocketbook nerve, whether they should or not, and if some act of ours means unemployment or even starvation to them one can hardly blame them.

Our contacts with foreign nations are innumerable, and all of them affect our foreign relations. But government is responsible, and within

our Government the Department of State is charged with the task of advising the President on foreign policy. That probably brings up in your minds a picture of diplomats in striped trousers and high hats, a picture both of the men and of their job which is wholly erroneous.

The Department of State has two main tasks. The first is the collection of information, accurate and complete information about foreign countries, both what the departments of government, and business people, and other private citizens want to know and also the information they should know. That is a reporting system, and it takes the majority of our Foreign Service staff to perform the reporting function. The Foreign Service is not the Foreign Service of the State Department; it is the Foreign Service of the United States and of all Government departments and all citizens. Its task in the field can become routine. Because the Department realizes that, it is seeking to maintain the standard and the imaginative understanding of these reporters. A special effort has been made in the last nine months to help this far-flung line of American representation.

The second task of the State Department in advising the President is to coordinate in Washington the foreign policy of the United States, based upon the information the Foreign Service has sent in by cable, by air, and by surface transportation. Foreign policy is a complicated matter, involving every product of the earth, every spot on the earth's surface, every kind of conduct of that fascinating and somewhat diverse animal, *homo sapiens*. Many agencies of government have direct responsibility for different parts of that policy, often with overlapping interests, and many others are responsible for domestic policies which have inevitable and far-reaching foreign repercussions. The different parts must be coordinated, especially with the many new agencies in wartime. In no field is that coordination more important than in the economic. Thus it is that much of the time of our economic offices in the State Department is taken with interdepartmental meetings in which we work with agencies to reach agreement on a United States policy.

<sup>1</sup> Delivered before the Commonwealth Club of San Francisco, at San Francisco on Nov. 14, 1944. Mr. Taft is Director, Office of Wartime Economic Affairs, Department of State.

That creates one of our difficulties. A mediator or conciliator can't advertise how he does it, or he opens up the very sores he has been at such pains to heal. But we have been working all the time toward a well-rounded and integrated total policy, and the time is coming when that policy will be stated in full in just those terms. In the meantime I shall try today to give you a quick review of the more important economic policies we have been putting together.

The International Labor Organization is the principal inheritance from the League of Nations. Its long, successful life will develop further with the peace. In the meantime the clarification of the boundaries of the interests of the International Labor Organization in relation to the many new or proposed international organizations takes careful thinking. In a nation with high standards of living and a high level of industrialization, nothing can be more important than the promotion of similarly high standards elsewhere, as fast as they can reasonably be expected.

The first United Nations conference was that on food and agriculture at Hot Springs. It followed up the work of the International Labor Organization in promoting standards and increasing supplies of food of adequate nutritional value, along with an even more difficult task, the promotion of good food habits. The way Puerto Ricans, surrounded by waters teeming with fish, eat salt fish from Newfoundland illustrates the point.

Then came the conference on displaced persons, which set up the Intergovernmental Committee on Refugees and Displaced Persons. It is expected that when the war ends seven to nine millions of foreigners will be in Germany and two million Germans outside Germany who want to return home. Add any populations who should be moved when territorial settlements are made, the millions of Chinese refugees, and all the other prisoners of war and internees, and add too the stateless of whom there then will be a tragic total, and you have the most heart-rending problem of all.

Bretton Woods was a most successful effort to tackle the twin problems of exchange and the financing of reconstruction upon which so much of the world's progress at the end of the war depends. We have had oil conferences, rubber conversations, talks on war shipping problems, and now a full-dress conference on aviation at Chicago.

Finally came the Dumbarton Oaks conference on the basic problem of world security with the resulting draft charter on which such universal approval has developed. The charter is important in the field of economic foreign policy, for it proposes an Economic and Social Council made up of 18 expert members elected by the world assembly. Not much has been said about this council in the discussions on the World Security Organization, but it represents a great step forward from the League organization. No longer can the basic economic problems be obscured by political excitement, for they will have a forum of their own made up of representatives directly concerned with and skilled in handling them.

Into this pattern will fit the Bank and Fund, the I.L.O., the Food Organization, any business practice, commercial policy, or commodity organization that may develop, any health and welfare activities, and any other appropriate international cooperation in these fields of economic and social policy.

All of this is procedural and organizational and not very exciting, I am afraid. I have reviewed it because I wanted you to see that the State Department has been bringing together the thinking of all the Government agencies and the best ideas of most voluntary and business groups in a total pattern that fits together. It is not as perfect as a completed picture puzzle, but it is completely different in fact from the confusion charged by critics of our Department and of our foreign policy. The extent of the accomplishment is measured further when you look at the number of agencies concerned. In the first place there are the war agencies: The FEA, the WPB, the War Food Administration, and the War Shipping Administration; then the regular departments: Treasury, War and Navy, Commerce, Agriculture, Interior, Labor, the Tariff Commission, Justice, Federal Security. Every problem has many points on which it may frequently be difficult to get agreed positions within the State Department or any other individual agency. To get different agencies with differing approaches to agree is always a tough job. That is the coordinating function of the Department of State. Some of us who occupy executive positions in the Department are not really experts in economics or foreign affairs in any professional sense, although we are rated by the Department and the Civil Service Commission as professionals. We really need to be co-

ordinators, conciliators, experts in human nature and in politics.

Last April the President set up the Executive Committee on Economic Foreign Policy—with my chief, Dean Acheson, as chairman—which has on it representatives of all the long-time agencies, and the rest are called in on matters which affect them. Problems and solutions that come up through its various subcommittees are thrashed out and cleared and then go directly to the Secretary and to the President for approval. Continuous contact and clearance with appropriate congressional committees is of course necessary, but that is handled by the Department itself.

Let me put all this on a more practical basis. My office is concerned among other things with the elimination of wartime controls and restoration of normal trade as rapidly as possible. We run into two kinds of situations. In the first place, suppose we want to help exporters who want to sell goods in Syria and the Lebanon or Egypt. Of course shipping is very tight, but apart from that the three countries have no dollars to pay us with. They have sterling balances in London, and francs in Paris; but the British and French are very low on their dollars, too, and won't trade their dollars for sterling. The only way we could work it out would be to buy more goods in England or France, which could trade the dollars they get for the sterling or francs they owe to the Middle East (a three-way trade), or to buy more goods in the Middle East, which gives them dollars direct to buy our goods (a two-way trade), or to lend them dollars to buy our goods (which really means to lend them our goods).

The second kind of problem in restoration of trade arises with places like China, Italy, or Greece. At this stage such nations have an economy which has almost completely run down and stopped. They have no dollars, no sterling, and at the beginning they have nothing to offer in exchange in kind, or almost nothing. Then you have no alternative but to find a way to help them get the materials that go into their export goods and to lend them the money to carry them until they can go it alone. Otherwise there is chaos that helps no one and may damage us all.

The Bank and Fund were designed to meet these two kinds of situations. They don't do it wholly, and neither are they strictly orthodox. But the situation is hardly orthodox, and the Bank and

Fund are well thought out to do the job that needs to be done. The storm of criticism that greeted them from bankers has gradually calmed, and many individuals have pulled down their storm signals, come out of their storm cellars, and gladly or grudgingly given their approval.

There is a place for direct U.S. financing, both public and private. Congressmen on both sides of the House have proposed an expansion of the lending authority of the very well run Export-Import Bank and removal of the restriction on its lending to the European countries. Such a measure ought to be passed. The Johnson act stops any private lending in many of the countries that need it and could get it. We are the world's creditor nation, and what we need is not the isolationism of a policy of no loans but the development of the skills of a creditor nation. We deserved such ill-will as we got in the twenties and thirties, not because we justified the title Uncle Shylock—we didn't—but because we were a creditor nation with the mentality of a debtor, and because we did not acquire enough know-how of foreign investment.

A similar isolationism both here and in Britain has advocated locking up our industrial skills and machinery and has condemned promoting the industrialization of backward countries on the ground that it takes away our markets. That is the old-time mercantilist philosophy, which lost to Great Britain the American Continent 170 years ago. Britain disapproved the whole theory and so did we in the nineteenth century. The higher the standard of living in China or India the better market for our goods and the better the chance for this lively strip of West Coast to hold on to its industrial production for export by sea.

But those projects will mean little if after we help solve the problems of finance and exchange the other nations stick with state trading and a tight self-sufficiency. Along that line lie despair and frustration. We can manage this job with one state-trading nation, but we hope we will not have to do it with more. That means that our State Department must take the lead in coordinating the steady and persistent presentation to all trading nations, especially to France, Great Britain, and China, of intelligent programs of commercial policy which take into account the difficult and varying situations of each.

Two problems at once arise which produce diametrically opposed views of policy. Cartels are anathema to American opinion generally, being simply another version of the trusts we have been condemning for 50 years domestically. When, in addition, the cartel was used as an instrument of Nazi domination, there is no wonder that we will not traffic with these private international agreements to limit supply artificially.

But on the other hand there are some products, agricultural and mineral, for which the standard rules of economics don't work. When certain agricultural prices go down, farmers, instead of planting less and adjusting supply to demand, plant more in order to get just as much cash income. Then you get the unmanageable surpluses. When a country depends entirely on one or a few agricultural or mineral products, a fall in demand or price brings disaster to an entire economy and people, in a way that in modern times we cannot permit. The resulting revolution is likely always to damage our political objectives, too. The Committee has reached a conclusion which is carefully worked out to meet the situation.

One of the great accomplishments of this youthful Executive Committee on Economic Foreign Policy has been to reconcile these opposing viewpoints and come up with agreed policies which form part of this total program of the United States abroad.

I would be less than frank, however, if I did not say in passing that the most serious dangers to our own foreign trade—but far more important, to the objective we all seek, a prosperous world—are some of the theories widely held for sustaining certain farm prices at an exaggerated level, and certain other programs which might develop later, whose purpose is to maintain domestic employment by various kinds of trade controls and subsidies.

That is the field in which the State Department is working shoulder to shoulder, and effectively, with all the other agencies concerned. Its reorganization 10 months ago was not just a surface shuffling but was a real streamlining. The streamlining is not for its own greater glory but to serve this Nation in its foreign relations. No function is more important to our future as a nation. It is not a partisan function. Mr. Hull has been determined to keep foreign policy out of partisan politics. He has succeeded to an extraor-

dinary degree, and his Department is for that very reason a real cross-section of American geographical and political manpower. It can give you confidence in the future representation of your country abroad in those fields of economic activity which are not, I believe, decisive in fixing our future but which are nevertheless of the greatest importance to our ideal of a cooperative world in which people may live with true satisfaction. Let us use this tremendous American power and prestige not for temporary present benefits but for lasting policies in the economic field that help maintain peace.

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VANDENBOSCH—Continued from page 609

according to early reports Japanese "economic" experts were swarming the country and were displacing the Dutch officials.

Because of the economic dislocations and the destruction accompanying the invasion there undoubtedly is much suffering among all classes and races. This suffering should bring the various racial groups closer together. On the other hand, secondary and higher education are suffering. This factor will inevitably retard social development, while the problems of reconstruction will be extremely difficult and will require much technical skill and political leadership. But a consequence of the experiences since 1937 must be a greatly lessened dependence upon the Netherlands, an increased fluidity in Indonesian society, and a much larger share in the economic, political, and educational life of the country by the Indonesians. There is no reason to believe that the pre-invasion trends will be retarded, though possibly they may be deflected.

Indonesianization of the services will be accelerated, the cultural and political autonomy of Indonesia will go steadily forward, but the nationalist movement will in all probability shift its emphasis from dominion status or independence to imperial partnership. The Dutch and Eurasians in the Indies will probably shift their position; instead of forming the spearhead of Dutch authority in the Indies they may take over the leadership of one section—the pro-empire section—of the nationalist party. Much will depend upon the skill with which the Netherlands Government carries out its broad promises of political reforms and upon the ability of the Dutch and Eurasians in adapting themselves to these reforms.

## Presentation of Letters of Credence by the Minister of Australia

[Released to the press November 14]

The remarks of the newly appointed Minister of Australia, Sir Frederic William Eggleston, upon the occasion of the presentation of his letters of credence, November 14, follow:

MR. PRESIDENT:

It gives me great pleasure to hand to you today letters by which His Majesty the King accredits me as his Envoy Extraordinary and Minister Plenipotentiary with the especial object of representing in the United States of America the interests of the Commonwealth of Australia. In tendering my letters of credence, and also letters of recall of my predecessor, Sir Owen Dixon, K.C.M.G., I desire to express on behalf of His Majesty's Government in the Commonwealth of Australia and also on behalf of the Australian people sincere good wishes for your personal welfare and for the continued prosperity of the Nation whose destinies you have guided during a period of unparalleled difficulty.

When my predecessor presented his letters of credence some two and a half years ago the situation in the Pacific was still dark, although my countrymen had been greatly encouraged by the successful naval action in the Coral Sea. Since that time brilliant action in the Pacific has turned the tide of battle so decisively that even the rulers of Japan must now regret the treacherous blow at Pearl Harbor. I desire to extend to you, Mr. President, the congratulations of the Australian people on the success which has attended the recent landings in the Philippines and the remarkable naval victory which followed upon these landings. These give no greater satisfaction to the people of the Philippines and the American people than they do to the people of Australia.

Before Pearl Harbor, Australian land, sea, and air forces were dispersed throughout the world and gave no mean account of themselves in land battles in Africa, Greece, Crete, and Syria, in sea warfare in the Mediterranean and elsewhere, and in the skies over Europe. When Japan attacked and Australia was in imminent danger it was necessary to concentrate some of these forces in the Southwest Pacific area to defend the Australian homeland. Now that the period of acute danger to Australia is over, Australia is deter-

mined to contribute her due share in bringing to other countries the security which she now enjoys. The participation of the Australian Naval Squadron and also of certain specialist Australian Army units in the Philippine landings is a significant step in this direction.

I need hardly assure you, Mr. President, that during my term of office I shall do my utmost to maintain the close and friendly bonds between the United States and Australia which the mutual trials of the present war have done so much to strengthen. Australia will never forget the help given to her by the United States during the period of peril through which she has just passed. With such a basis for friendly understanding it should not be a difficult task to find ways and means by which the peoples of the United States and of Australia can come to understand one another more and more fully, and I feel sure that any problems which arise for consideration can be solved in an atmosphere of mutual good-will.

The organized forces of the United States of America, using to the full the resources of science, have shown to a conspicuous degree a genius for war. But the people of the United States have to an even greater degree a genius for peace, and we in Australia hope to be able to cooperate with the United States, the British Commonwealth, and all the United Nations in establishing a peaceful order based on law and on recognition of the rights and responsibilities of nations.

The Australian people realize that it is necessary to maintain an all-out war effort if victory in the Pacific is to be assured for the United Nations. I feel no doubt, Mr. President, that the people of the United States and the Commonwealth of Australia will both meet the requirements of the present situation and demonstrate their unflagging determination to face whatever hardships may still lie ahead in order to secure for future generations the right to enjoy liberty and pursue happiness free from fear.

President Roosevelt's reply to the remarks of Sir Frederic William Eggleston follows:

MR. MINISTER:

I am happy to welcome you to Washington and to receive from your hands the letters which ac-

credit you as His Majesty's Envoy Extraordinary and Minister Plenipotentiary with the special object of representing in the United States of America the interests of the Commonwealth of Australia. I likewise accept the letters of recall of your distinguished predecessor, Sir Owen Dixon, whose outstanding service in this Capital will long and happily be remembered.

I deeply appreciate the earnest good wishes which you have brought from the Government and people of Australia. I am glad to have this opportunity to give expression once again to the feeling of warm friendship which the American people have for the people of Australia and for the entire British Commonwealth of Nations.

Here in the United States we have a special admiration for Australia. Our peoples have common ideals of liberty and justice. We are neighbors in the Pacific. We have faced and are facing the same treacherous and ruthless enemy. Not alone for their own sakes but for the sake of humanity itself do our two nations share the heavy sacrifices of war. Difficult days still lie ahead, but we may take increased courage from the fact that our efforts and those of all our great Allies are now not unattended with success.

It moves me deeply to be able to accept from you the congratulations of the Australian people upon the results of the recent events in the Philippines and in Philippine waters. We in this country will never forget the glorious part Australia has played in driving back and destroying the power of the aggressors. It is a cause for special gratification that Australian and American forces have continued the heroic advance upon the enemy side by side, and that Australians were with us as we returned to the Philippines.

Ultimate victory, both in Europe and in the Far East, is in sight. Together the United Nations have largely solved the problems of waging war. Without for a moment diminishing our war effort we must at the same time begin to organize the peace. The people of the United States fervently hope and expect that the bonds which the trials of war have forged between themselves and the peoples of Australia, of the rest of the British Commonwealth, and of all the other United Nations will endure and form the sinews of an enduring peace based upon law and respect for the rights of all peoples. The United States espe-

cially looks forward to a mutually beneficial cooperation with Australia in the Pacific.

I hope that your stay in Washington will be pleasant, and I wish to assure you that the officials of the American Government stand ready to help you in every possible way to carry out your duties as Minister.

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LOVITT—Continued from page 601

veloped into a complete control of neutral trade. No import of a commodity would be navicerted if it exceeded the quota or if either the consignor or consignee were objectionable. Even the "end use" within the neutral country was controlled if desirable. Exports were similarly rigidly controlled.

If it be said that this control goes far beyond the right to condemn contraband, the answer is that the navicert is a "facility" which we may grant or withhold. In theory a neutral exporter is at liberty to ship without a navicert and if his cargo is in fact not contraband the Prize Court could not condemn. Through control over bunkering and insurance facilities the shipment can, however, be prevented.

As the war progressed the system in some instances became an instrument of policy. All navicerts to Switzerland, for instance, were refused in April 1943 because the Swiss in their trade negotiations with Germany had revived credits which had expired and had increased their exports of war materials to the Axis. In the case of Spain and Portugal navicerts were refused in order to enforce provisions against reexport and to speed the negotiation of a war trade agreement. The use of the navicert system for purposes of policy in these instances can be amply defended on the ground that we were merely denying a "facility" which carried with it the use of our own resources to keep the enemy from receiving increasing aid from a neutral.

Great care is taken, on the other hand, not to use the system arbitrarily. Navicerts are not withheld solely because a commodity is in short supply, even if it would have been to our interest to prevent shipment with a view to purchasing it ourselves.

A fine sense of fair play, together with the Anglo-American dislike of the arbitrary, prevails in the administration of the system which ultimately has paid big dividends.

## TREATY INFORMATION

### Protocol Supplementary to the Treaty With Mexico Relating to Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande

[Released to the press November 14]

On November 14, 1944 there was signed in Washington by the Honorable Edward R. Stettinius, Jr., Acting Secretary of State, and His Excellency Señor Dr. Don Francisco Castillo Nájera, Mexican Ambassador in Washington, a protocol supplementary to the treaty between the United States and Mexico relating to the utilization of the waters of the Colorado and Tijuana Rivers and of the Rio Grande (Rio Bravo) which was signed in Washington on February 3, 1944.<sup>1</sup>

The substantive provisions of the protocol are contained in two paragraphs. The purpose of the protocol is to clarify certain provisions of the treaty respecting the functions and jurisdiction of the respective sections of the International Boundary and Water Commission, as provided for by the treaty.

By its own terms the protocol is made an integral part of the treaty, to become effective when the treaty becomes effective and to remain in force for the duration of the treaty. The treaty was transmitted to the Senate with the President's message of February 15, 1944, with a view to receiving the advice and consent of the Senate to the ratification thereof.

### Armistice Terms for Bulgaria

#### CORRIGENDA

To conform to additional data received in the Department regarding the armistice terms for Bulgaria, the following changes should be made in the text as printed in the BULLETIN of October 29, 1944:

Page 492, first column, third paragraph, seventh line: Delete "the" before the word "Soviet".

ARTICLE ONE (A): First line: Insert comma after "Bulgaria"; third line: delete comma after

<sup>1</sup> BULLETIN of Feb. 5, 1944, p. 161, and Mar. 25, 1944, p. 282.

"September 9"; fourth line: delete comma after "September 6"; fifth line: change "hostilities has ceased" to read "has ceased hostilities".

ARTICLE ONE (B): Third line: Begin new paragraph with second sentence.

ARTICLE FOUR: Fifth line: Delete comma after "war" and in lieu thereof insert "and"; sixth line: insert comma after "internees" and delete first "and".

ARTICLE SEVEN: Seventh line: Delete "the".

ARTICLE EIGHT: Second line: Delete comma after "periodical".

ARTICLE SEVENTEEN: Sixth line: Change "fuels" to read "fuel".

ARTICLE EIGHTEEN: Eighth line: Begin new paragraph with second sentence.

Page 494, first column, third line: Delete comma after "quadruplicate"; fourth line: insert the word "languages" after "Bulgarian".

Page 494, first column: Reverse the order of signatures of Marshal F. I. Tolbukhin and Lieutenant General James Gammell.

Page 494, second column, second line: Delete comma after "services"; third line: change "Governments" to "governments"; sixth line: Insert "the" after the second "in".

## THE DEPARTMENT

### Appointment of Officers

Louis F. Thompson as Acting Chief, Accounts Branch, Division of Budget and Finance, effective November 2, 1944.

H. Merrell Benninghoff as Executive Officer, Office of Far Eastern Affairs, effective September 1, 1944.

Bryan J. Hovde, Chief of the Division of Cultural Cooperation, has been designated to represent the Department of State on the Policy Board of the National Indian Institute, established by Executive Order 8930 of November 1, 1941 in the Department of the Interior, effective November 1, 1944.

Daniel H. Buchanan as Consultant in the Division of Commercial Policy, effective October 16, 1944.

## Division of International Labor, Social And Health Affairs<sup>1</sup>

*Purpose.* In order to reflect the full range of responsibilities vested in the Division of Labor Relations by Departmental Order 1218 of January 18, 1944, it is desirable to change the name of the Division, and, for purposes of clarification, to outline its main functions.

1 *Change of name of the Division of Labor Relations.* The name of the Division of Labor Relations, Office of Economic Affairs, is hereby changed to the Division of International Labor, Social and Health Affairs.

2 *Functions of the Division of International Labor, Social and Health Affairs.* The Division of International Labor, Social and Health Affairs is responsible for the following major functions and related activities:

(a) Analysis and making recommendations on the effects of labor developments in foreign countries on the foreign policies of those countries, on international relations, and on the foreign policy of the United States.

(b) In collaboration with the Office of the Foreign Service, selection, training and direction of the work of the economic analysts attached to United States missions to report on labor and related matters.

(c) Analysis and interpretation of reports on labor and related matters received from labor reporting officers attached to United States missions for use in the Department in policy determination.

(d) Study and advice regarding the effects of international economic policies and activities of the United States, of international organizations or agencies, and of foreign governments, on employment, wages and standards of living in the United States.

(e) Analysis of policies regarding labor and of conditions of employment in this and other countries as they affect foreign policy or are affected thereby.

(f) Development of policies and recommendations regarding international measures to promote full employment and the improvement of labor standards and advising on economic measures related to these ends.

(g) Development of policies and recommendations regarding the foreign policy aspects of the

migration and settlement of persons, including post-war aspects of wartime displacements.

(h) Maintenance of liaison with labor, social and health organizations in the United States, both public and private, on labor, social and health matters which affect or are affected by United States foreign policy.

(i) In collaboration with the Division of International Conferences, development of policies, formulation of recommendations, and maintenance of liaison on labor, social, and health matters relating to the operations of international organizations in those fields.

(j) Study and advise the Department on international labor and social movements as they affect the foreign policy of the United States.

(k) Coordination of the policy of the Department regarding importation of foreign labor into the United States.

(l) Analysis and formulation of the Department's policy regarding international narcotics control and performance of the various duties imposed by statutes and arising from treaty obligations in matters relating to international cooperation in the suppression of the abuse of narcotic drugs.

(m) Development of policy regarding labor, social, and health matters in liberated areas and in ex-enemy territories, in collaboration with other Divisions of the Department and other agencies of the Government.

(n) Analysis and clearance for the Department of overseas programs of other Federal agencies relating to labor, social and health affairs.

(o) Maintenance of liaison with other Federal agencies concerned with problems of labor, social and health nature.

3 *Amendment of DO 1218.* Departmental Order 1218, January 15, 1944, (p. 20)<sup>2</sup> is hereby amended to include this amplification of the description of functions of the Division of International Labor, Social and Health Affairs.

4 *Routing symbol.* The routing symbol of the Division of International Labor, Social and Health Affairs shall be ILH.

E. R. STETTINIUS, JR.

*Acting Secretary*

<sup>1</sup> Departmental Order 1208, dated and effective Nov. 10, 1944.

<sup>2</sup> BULLETIN of Jan. 15, 1944, p. 53.

## LEGISLATION

Cartels and National Security: Report from the Subcommittee on War Mobilization to the Committee on Military Affairs, U. S. Senate, pursuant to S.Res. 107, a resolution authorizing a study of the possibilities of better mobilizing the national resources of the United States. November 13, 1944. Part I, Findings and Recommendations, 78th Cong., 2d sess., S. Subcommittee Report 4, v. 14 pp.

Supplemental Estimates of Appropriations and Draft of Proposed Provision Pertaining to an Appropriation for the Department of State: Communication from the President of the United States transmitting supplemental estimates of appropriations for the fiscal year 1945, amounting to \$825,000, and a draft of a proposed provision pertaining to an appropriation for the Department of State, 78th Cong., 2d sess., H.Doc. 760. 4 pp.

Supplemental Estimate for the Appropriation "Foreign Service Pay Adjustment, Appreciation of Foreign Currencies, 1945": Communication from the President of the United States transmitting supplemental estimate for the appropriation "Foreign Service Pay Adjustment, Appreciation of Foreign Currencies, 1945," amounting to \$200,000, 78th Cong., 2d sess., H.Doc. 749. 2 pp.

## PUBLICATIONS

### DEPARTMENT OF STATE

Naval Mission: Agreement between the United States of America and Colombia continuing in effect the agreement of November 23, 1938 as modified by the supplementary agreement of August 30, 1941, and extended by the agreement of September 22 and November 5, 1942 and further extended by the agreement of July 23 and August 7,

1943—Effected by exchange of notes signed at Washington June 26 and July 18, 1944; effective November 23, 1944. Executive Agreement Series 413. Publication 2201. 5 pp. 5c.

Detail of Military Officer To Serve as Adviser to the Minister of Foreign Affairs of Panama: Agreement between the United States of America and Panama continuing in effect the agreement of July 7, 1942 as extended by the agreement of July 6 and August 5, 1943—Effected by exchange of notes signed at Washington April 26 and May 18, 1944; effective July 7, 1944. Executive Agreement Series 414. Publication 2202. 4 pp. 5c.

Fur Seals: Agreement between the United States of America and Canada—Effected by exchange of notes signed at Washington December 8 and 19, 1942; effective from June 1, 1942. Executive Agreement Series 415. Publication 2203. 8 pp. 5c.

Payment for Certain Defense Installations: Agreement between the United States of America and Canada—Effected by exchange of notes signed at Washington June 23 and 27, 1944. Executive Agreement Series 405. Publication 2206. 6 pp. 5c.

### OTHER GOVERNMENT AGENCIES

The articles listed below will be found in the November 18 issue of the Department of Commerce publication entitled *Foreign Commerce Weekly*, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Electronics in Australia: Local Production and Markets for Imports", by Perry Ellis, vice consul, American Consulate General, Sydney, Australia, and Ralph H. Hunt, vice consul, American Consulate, Melbourne, Australia.

"Nicaragua's Trade in Local Chemicals", by Roland H. Brownlee, Jr., junior economic analyst, American Embassy, Managua, Nicaragua.

"Processed Milk in Peru", by Eugene G. Christin, junior economic analyst, American Embassy, Lima, Peru.

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# THE DEPARTMENT OF STATE BULLETIN

VOL. XI, NO. 283

NOVEMBER 26, 1944

## *In this issue*

THAILAND: SOCIAL AND POLITICAL STRUCTURE

*Article by Amry Vandebosch and Kenneth P. Landon*

AMERICA'S NEED FOR UNDERSTANDING CHINA

*Article by Haldore Hanson*



THE DEPARTMENT OF STATE

# BULLETIN

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*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

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# The Humanitarian Award Conferred Upon the Secretary of State

REMARKS BY THE ACTING SECRETARY OF STATE<sup>1</sup>

[Released to the press November 24]

It is a great privilege for me to accept on behalf of Secretary of State Cordell Hull the Humanitarian Award of the Variety Clubs of America for 1943. Mr. Hull deeply regrets that he cannot be with you tonight. He has asked me to convey to you his warm appreciation of the great honor which you have conferred upon him. I am certain that you will applaud his decision to contribute the funds included in the award to the Woodrow Wilson Birthplace Foundation, which has as its purpose to preserve for posterity the birthplace at Staunton, Virginia, of that great American President and champion of liberty and peace.

This ceremony brings to mind another occasion, more than four years ago, when the American Society of International Law presented to Mr. Hull a copy of the Magna Charta. I want to quote a brief passage from the memorable words he spoke on that occasion: "This marvelous document of liberty", Mr. Hull said, "is the heritage of the entire race. It is a challenge to oppression and tyranny everywhere, and the time could not be more appropriate for a fine reminder of its existence than at this time, when the world is being so hopelessly overrun by oppressors, by tyrants, by despots." He continued: "I have always envied those Englishmen who went out to Runnymede and secured from King John this great document of human liberty. If I could have been there and made my contribution as they made theirs to the welfare of all succeeding generations, to all civilization to come, I would not have exchanged that privilege for all the wealth of the Western Hemisphere today."

These words were spoken during one of the darkest hours in the history of mankind. They reflected the anguish of a great statesman and a great humanitarian who, long before most, real-

ized the magnitude of the assault that was being made upon the liberties of civilized man by the present-day forces of tyranny and oppression. They also reflected an abiding faith in the great ideals which have made us free.

The full meaning of these words is only unfolding today. They are assuming a prophetic quality, for today Secretary Hull, and we with him, are on the road to a new Runnymede. A new charter, an international charter, is in the making. It will be designed to bring to all nations devoted to peace the benefits of political stability, of economic and social advancement, of wider observance of basic human rights. The outlines of that new charter were drawn at Moscow, at Tehran, and at Dumbarton Oaks. They will be perfected in continuing negotiations with our Allies, large and small, in this war of liberation.

As we move toward the consummation of this great undertaking we must not forget that its success is dependent on the outcome of this global war. The path is being cleared by the faith, the drive, the sacrifices and sufferings of the men and women in our fighting forces and those of our Allies. They in turn depend on the untiring efforts of the home front to supply and to sustain them. We are winning this war, but let no one think that it is already won. The enemy continues to resist desperately, in Europe as well as in the Far East. If the agony brought by the war to almost every home is to be ended quickly, each of us must keep his shoulder to the wheel, constantly, steadfastly, until the task is done. Total victory, decisive and complete, can only be won by total effort. With equal determination we

<sup>1</sup>Delivered by the Acting Secretary of State upon accepting on behalf of the Honorable Cordell Hull the Humanitarian Award for 1943 conferred upon the Secretary of State by the Variety Clubs of America at Washington, Nov. 24, 1944.

must move forward, in closest collaboration with all the United Nations, toward the completion of the great charter establishing those institutions of international cooperation for peace, for freedom, and for progress which our victory will make possible.

If ever there was a time to put the supreme needs and aspirations of suffering humanity above personal advantage, it is now. Our Nation and all nations devoted to peace stand on the threshold of another glorious opportunity to make a contribution "to the welfare of all succeeding generations, to all civilization to come". In these ringing words Mr. Hull expressed the challenging ideals and hopes of this age. In honoring him tonight we dedicate ourselves anew to these ideals. They are our inspiration and our strength. In their image a new world will be built.

## Lend-Lease Operations

### LETTER OF THE PRESIDENT TO CONGRESS TRANSMITTING 17TH QUARTERLY REPORT

[Released to the press by the White House November 24]

TO THE CONGRESS OF THE UNITED STATES OF  
AMERICA:

#### I

I am submitting herewith my Seventeenth Report to Congress on Lend-Lease Operations.

In fifteen of these reports I have reported on lend-lease aid extended by the United States. One year ago, the Twelfth Lend-Lease Report to Congress set forth the reverse lend-lease aid received by the United States from the British Commonwealth of Nations under the Lend-Lease Act. That report covered the period up to June 30, 1943.

I now report on reverse lend-lease aid received by the United States from the British Commonwealth of Nations up to June 30, 1944.

One year ago the governments of the British Commonwealth reported their expenditures for reverse lend-lease aid to the United States, on the basis of estimates carefully prepared from their records, as totalling \$1,175,000,000. They now report that by June 30, 1944—one year later—these expenditures had risen to \$3,348,000,000—almost three times the previous total.

The first six months of 1944 showed a significant increase in reverse lend-lease aid from the British Commonwealth. These were the months when the final preparations were being made in the United

Kingdom for the liberation of Western Europe and for the offensives aimed at Germany.

In these six months, United States forces in the British Isles received the equivalent of almost 3,851,000 ships' tons of supplies from the United Kingdom under reverse lend-lease exclusive of construction materials and gasoline, compared with 2,950,000 tons in the entire preceding 18 months. In monetary value, the supplies and services we received in these six months were greater than for the entire preceding year.

By "D" Day, United States armed forces had reached the United Kingdom in vast numbers. From the day our first soldiers arrived in 1942, one-third of all the supplies and equipment currently required by United States troops in the British Isles has been provided under reverse lend-lease. The percentages of total United States Army requirements in the European theater provided by the United Kingdom have ranged as high as 63 percent in the case of quartermaster supplies and 58 percent for engineers' supplies.

Reverse lend-lease has played an essential part in the stupendous job of preparing for and supplying the great allied offensives in Europe.

It would have required a thousand ships to send across the Atlantic what we received for our men through reverse lend-lease from the United Kingdom.

We were able to use these thousand ships instead for carrying supplies and equipment that had to come from the United States.

Without the reverse lend-lease aid that we received from the United Kingdom, we would surely have been forced to delay the invasion of France for many months. Now that this campaign has been successfully launched and is on the road to ultimate success, it is possible to include in this report facts about specific and vitally important reverse lend-lease projects that could not previously be safely disclosed in a public report.

For the war against Japan, United States forces have also received increased quantities of supplies and services in the past six months as reverse lend-lease from Australia and New Zealand, and in India. These were the months in which the forces under General MacArthur were completing the New Guinea campaign and were preparing to launch the campaign for the liberation of the Philippines.

Our forces in the Pacific have already received 1,850,000,000 pounds of food alone from Australia

and New Zealand, including more than 400,000,000 pounds of beef and other meats.

Another important reverse lend-lease program in this theater has been the production for our forces of landing craft, small ships and boats, for the campaign we are waging in the Pacific. Tremendous numbers of these boats are needed for landing and supply operations on hundreds of islands scattered across thousands of miles of water. More than 9,500 of these craft had been produced and delivered by Australia alone in time for the Philippines campaign and over 12,000 more are on the way. In addition, Australia and New Zealand have turned over to our forces many hundreds of coastal steamers, barges, tugs, lighters, yachts, and launches.

In India the increased rate of reverse lend-lease aid we have received in the first six months of 1944 has kept pace with the rising tempo of air, land and sea operations in the Burma-India and China theaters. A significant proportion of the supplies we have received in India has consisted of aviation gasoline and other petroleum products drawn from British oil resources in the Middle East and refined at the British refinery at Abadan. This gasoline, provided to us as reverse lend-lease, without payment by us, is helping to power our B-29 Super-Fortresses in their raids from both China and India on the Japanese homeland and on such enemy-occupied strong points as Singapore. It is also being used by the fighter and bomber planes of the 10th and 14th United States Army Air Forces.

## II

I take the occasion of this Report again to point out that the reverse lend-lease aid rendered by nations of the British Commonwealth to the United States is only a part of the aid which we have received from the British in fighting this war. The United States has benefited greatly from reverse lend-lease aid, as the facts set forth in this Report indicate. But we have benefited far more, and in a far larger sense, from the total fighting effort of our allies.

As I have stated in previous Lend-Lease Reports and as the Congress has expressed itself in Reports by its appropriate committees at the time of the virtually unanimous renewals of the Lend-Lease Act in 1943 and 1944, lend-lease and reverse lend-lease are not two sides of a financial transaction. We are not loaning money under lend-lease.

We are not receiving payments on account under reverse lend-lease. The lend-lease system is, instead, a system of combined war supply, whose sole purpose is to make the most effective use against the enemy of the combined resources of the United Nations, regardless of the origin of the supplies or which of us uses them against the enemy.

Neither the monetary totals of the lend-lease aid we supply, nor the totals of the reverse lend-lease aid we receive are measures of the aid we have given or received in this war. That could be measured only in terms of the total contributions toward winning victory of each of the United Nations. There are no statistical or monetary measurements for the value of courage, skill and sacrifice in the face of death and destruction wrought by our common enemies.

We in the United States can be justly proud of our contributions in men and materials and of the courage and skill and sacrifice of the men and women in our armed forces and of all those others who have devoted themselves selflessly to the war effort at home. We can also be rightly proud of and grateful for the contributions in men and materials of our allies and the courage and skill and sacrifice of their soldiers, airmen, seamen and peoples.

In this war the United Nations have all drawn strength from each other—our allies from us and we from them. We can now begin to see the full significance of the overwhelming power that this steadily closer partnership has created. We already know how much it did to save us all from disaster. We know that it has brought and will bring final victory months closer than would otherwise have been possible.

Lend-lease and reverse lend-lease are a system of combined war supply. They should end with the war. But the United Nations partnership must go on and must grow stronger. For the tasks of building a workable peace that will endure, we shall need all the strength that a permanent and stronger United Nations can provide in winning security from aggression, in building the economic foundations for a more prosperous world, and in developing wider opportunities for civilized advancement for the American people and for all the other peace-loving peoples of the world.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,  
November 24, 1944.

# America's Need for Understanding China

By HALDORE HANSON<sup>1</sup>

## I

Increasingly we hear references to "our shrinking world" and to the fact that nations are moving closer together as transportation improves. The fact is not new; it is one that is fundamental to any discussion of the need for an understanding between nations.

There are many evidences of a shrinking world: The airplane which can reach any part of the earth in three days; the radio communication which can deliver a message to any country in seven minutes; a vast increase in ships to move persons and goods; the transportation of millions of soldiers and thousands of military and civilian officials from one continent to another; and a significant increase in language study.

In the middle of the nineteenth century American clipper ships were sailing from the west coast of North America to the Chinese port of Canton in 120 days. Later the steamship cut this time to 30 days and finally to an average of 14 days between San Francisco and Shanghai. Then came the first airline. In the middle of the 1930's the Pan American Airways was making weekly flights from San Francisco to Hong Kong in seven days. Today military planes are flying from Washington, D. C., across Africa and Asia to the capital of China in 72 hours. The late Wendell Willkie returned to the United States from Chungking by way of Siberia and Alaska in a comparable period of time.

The vast progress in aviation by the armies of the world is one of the topics under consideration at the current aviation conference in Chicago, where 54 nations are discussing measures whereby commercial airlines may find agreement for their plans to extend into peacetime the technical progress made during the war.

Increased air travel is not the only evidence of a shrinking world. Radio-communication networks have been set up that reach the American fighting

forces wherever they are stationed. It has been said that the Army, from its headquarters in the Pentagon Building at Washington, can send a message to almost any country in the world in seven minutes. This military network may not continue in peacetime, but in its place will be vast improvements in commercial communications available to civilians who wish to send messages to peoples of other nations at reasonable rates.

The trend toward cheaper communications is already reflected in the press rate between China and the United States. Not long ago the American news agencies were paying 20 cents a word to send press messages from China to New York. During the war this rate has dropped to 9¾ cents and has already resulted in an increase of press messages. Chinese and Americans are hearing far more about daily happenings in each other's countries.

Increased ocean travel is another evidence of the shrinking world. It was recently reported that the United States now has a shipping tonnage equal to two thirds of all the merchant marine in the world before the war. The United States alone at the close of the war would have 4,600 ships, a number three times greater than that of our American merchant marine in 1939. The press recently reported that President Roosevelt had authorized the Maritime Commission to develop a type of fast passenger vessel which would be useful not only during the war but also in peacetime passenger trade.

The increase in the number of ships and airplanes already means that more people are moving from one continent to another. Our thinking about the Far East for the next generation may be influenced by the views of tens of thousands of American soldiers who are now in Australia, the Netherlands East Indies, the Philippines, India, and China. They are a part of the shrinking world.

Civilian officials also have swelled this vast movement. Thousands of Americans have been sent abroad by the Department of State, the Foreign Economic Administration, the Department of the Treasury, the Office of War Information, the Coordinator of Inter-American Affairs, the Office

<sup>1</sup> This article is based on material from an address delivered by Mr. Hanson before the 24th annual meeting of the National Council for the Social Studies on Nov. 24, 1944 in Cleveland, Ohio. Mr. Hanson is a Divisional Assistant, Division of Cultural Cooperation, Office of Public Information, Department of State.

of Strategic Services, and a score of other agencies. The United Nations Relief and Rehabilitation Administration is preparing to send administrators and technicians into liberated areas, including the now-occupied portions of China.

Along with the movement of armies and officials has developed in the United States a greater concern and interest in the study of foreign languages. In 1939 it could be said that the people of the United States as a nation were far behind all the other great nations in the study of foreign languages.<sup>1</sup>

More people speak Chinese than any other language on earth. Yet in 1939 few Americans in a million, excluding those Americans of Chinese ancestry, could speak or read Chinese. By contrast, in China every secondary-school student has been required to study English. A high proportion of officials in the Chinese Government speak English fluently.

The United States Army after Pearl Harbor instituted an intensive language-training program in approximately 20 languages, including Chinese. The courses concentrated upon the spoken idiom, not upon reading, because the Army was interested in helping soldiers and officers to get on with other peoples. The result has been that several thousand additional Americans now have an elementary knowledge of the Chinese or the Japanese language. In our post-war relations with the Far East these languages are likely to be more important than ever before.

The *New York Times* on November 19 reported that it had sent a questionnaire regarding the Army language-teaching methods to 50 colleges and universities. Nearly all the institutions replied that they plan to retain some of the features of the Army's intensive teaching methods. A majority of the colleges predicted a greater interest in foreign languages after the war than in the past. We Americans have always wanted to do things in a hurry, and now that we have a fast method of language study we intend to use it.

## II

The fact that all nations will be our immediate neighbors will affect everyone in the world and may change the nature of international relations of our generation more completely than any other generation has witnessed since Columbus and Magellan and the age of great discoveries.

We will be informed about our neighbors; they in turn will be informed about our neighbors; and they in turn will be in a position to learn about us. The attitudes of the people of one nation toward the people of another are likely to exert an ever-increasing influence upon foreign policy. In fact this shrinking of geography has already had some effect upon the conduct of foreign relations.

Several centuries ago relations between states consisted largely of meetings between kings or their personal representatives, the ambassadors. Gradually a diplomacy developed between governments through their foreign offices. In recent years that type of diplomacy has been supplemented and in some cases even replaced by relations between peoples.

About half a century ago the French Government began to send French scholars abroad to lecture in foreign universities. It subsidized schools and universities which Frenchmen had established abroad. It offered scholarships for foreign students to study in France. It financed the translation of hundreds of French books into foreign languages. Cultural relations thereby became an important instrument in French foreign policy.

Later Great Britain and the Soviet Union, among our present Allies, undertook to foster international cultural programs, each in its own way trying to build a better understanding for itself among foreign peoples—an understanding that might be called a peoples' diplomacy. Perhaps the most important form of popular diplomacy is the appeal to public opinion across international boundaries. Appeals by radio, motion pictures, and the press have attained particular attention during the war. The short-wave radio has proved in wartime to be the most powerful of these media, for it is the only channel of information which cannot be censored or controlled by the government of the receiving country. The radio has been used during the war both as a weapon against the morale of the enemy and as an instrument of friendship between Allies. Thus, the British Broadcasting Corporation today is reported to be broadcasting 105 program-hours a day in 40 different languages to other nations in all parts of the world. The Soviet Union has been transmitting 73 program-hours daily to all parts of the world in 28 different languages. The United

<sup>1</sup> BULLETIN of Dec, 4, 1943, p. 395.

States has a large broadcasting program comparable to that of Great Britain and the Soviet Union.

It does not seem likely that the short-wave radio, which has proved to be such an important instrument in international relations, will be abandoned by other governments after the war. The radio will be a continuing contribution to the shrinking world. So will the various forms of cultural relations. The peoples' diplomacy is likely to grow in importance. Anyone who is not seeking to inform himself about other peoples is out of step with his generation.

### III

After we have reviewed the evidence of a shrinking world and have considered the effects which this evidence may have upon foreign relations, we may apply these facts directly to China and the United States. We may reach the following conclusions:

1. That China has become our immediate neighbor and every further advance in science will draw her still closer. This is not the judgment of sentimental friends of China; it is a plain unchangeable fact of geography.

2. That China and the United States are going to know far more about each other than they have known in the past, and when the peoples of two countries as different as China and the United States become acquainted with each other for the first time, there is likely to be some friction.

3. That it is of utmost importance for the peoples of two such countries to make a conscientious effort to understand each other. Such an understanding can be facilitated both by governments and by school systems.

During the past century many American citizens have been helping to build better relations with China. The American missionaries, for example, have established in China hundreds of schools, 13 colleges, several scores of hospitals, and a number of agricultural-experiment stations. Largely as a result of this work by Americans, China regards English as its secondary language.

The finest medical school in China, built by the Rockefeller Foundation, is staffed largely with Chinese scientists and doctors who were trained in the United States.

The United China Relief in recent years has extended important assistance to Chinese humanitarian and educational organizations.

The American Library Association has collected American books for the restocking of Chinese libraries and schools after the war.

More than 100 private organizations in the United States are making significant contributions toward a better understanding between the United States and China.

The United States Government has also assisted in this activity. It is not generally realized that Congress itself has taken two steps that more than any other individual acts have promoted understanding between the people of China and the people of the United States. Under a joint resolution of Congress approved May 25, 1908 the President remitted to China a round sum of \$12,000,000 due to the United States under the indemnity payments of 1901. Under another joint resolution of Congress approved May 21, 1924 the President remitted the outstanding balance of the indemnity, amounting to roughly \$6,000,000.

At the time of the first remission the Chinese Government announced that it would use the funds to send Chinese students to be educated in the United States. It was planned that 100 students annually would be sent for the first 4 years and 50 students a year thereafter for an additional 30 years. Approximately 1,800 Chinese men and women have been educated in American colleges under this plan. Some of them in later life have risen to the rank of cabinet minister or to other positions of leadership in Chinese public and private affairs.

The Chinese Government later used another portion of the money remitted in 1908 to support Tsing Hua University, which has become one of the half-dozen leading universities in China.

The joint resolution of Congress of 1924 stated that the object was "further to develop the educational and other cultural activities of China". To care for these funds the Chinese Government established the Board of Trustees of the China Foundation for the Promotion of Education and Culture. Two thirds of the Board members were to be Chinese and one third Americans. For the past 20 years this Foundation has been an important leader in the strengthening of the natural and social sciences in Chinese universities and in the support of advanced research centers in that country.

One cannot overemphasize the value of these two congressional measures to the cultural and political relations between the two countries.

At a later date—in 1938—the Department of State established a cultural-cooperation program. Until 1942 the American cultural program was confined to the Western Hemisphere. Since Pearl Harbor, however, the program has expanded to include China, the Near East, and some exploratory work in Europe.

At the inception of the China program in 1942 the Japanese blockade imposed exceptional obstacles to its operations. The Japanese had closed the Chinese coast and had blocked the back door to China through Burma.

In 1942 almost no mail was reaching China. The daily flow of printed materials between the outside world and China had virtually ceased. Chinese scientists had relied upon American research materials. Chinese scholars had used American professional journals. Chinese newspapers and magazines had translated popular American articles for republication in Chinese. The war had stopped all this.

The Department of State, in order to restore at least a part of this flow of ideas, began to microfilm 70 scientific and scholarly publications. These microfilms were sent to China, where reading facilities convenient to universities and scientific centers were established. Microfilm is not a simple form of reading-material, but it has helped China to meet a wartime need.

This flow of ideas has not been in merely one direction. Before the war China had sent to the United States scores of scientific and scholarly articles each year for publication in American journals. Thus China contributed to the world's body of knowledge at the same time that she was borrowing from it. The Japanese blockade stopped also this return flow of ideas from China.

Last year the Department of State arranged for about 100 articles written in China to be translated into English and sent to the United States. More than half these articles, under the names of the original Chinese authors, have already appeared in outstanding American journals. The two-way flow of ideas has thus been restored.

This cultural program has another aspect. The Chinese Government in about 1938 was compelled to move 1,500 miles from the seacoast to the far interior, where it was necessary to develop new industries, new scientific centers, and new university campuses. China had to carry out much of this wartime construction program with her own resources.

To help with this pioneer task of developing a new pattern of national livelihood in west China the Department of State asked the Chinese Government whether it desired the services of American technicians, and if it did to specify the qualifications desired in each man. The Chinese Government in 1942 surveyed its needs and submitted a list of about 30 specialists who could be useful in mobilizing Chinese civilian effort.

As a result the Department of State has sent, up to the present time, 25 American specialists to assist in various Chinese ministries.<sup>1</sup>

One of these specialists is a biochemist from Michigan who is now assisting the Chinese Government in setting up a vaccine-control laboratory at Chungking, where all vaccines produced in China for the prevention of communicable diseases will be tested. The American animal breeder found that the Chinese Government was hauling much of its industrial production in animal carts and that the harnesses for these animals might be improved by a few techniques known to our American pioneers in the days of the covered wagon. There is a story behind every one of these specialists.

More than half the Americans have completed their tasks and have returned to the United States. They have given service of exceptional importance, although they have attracted little publicity. Newspapermen in China have called them the "lend-lease of American brains".

There is yet another activity in this American-Chinese program: the aid to Chinese students in the United States. At the time of Pearl Harbor approximately 1,800 Chinese students were in the United States. They represented an important asset to China. Some arrangements had to be made for them to complete their education. The Chinese Government cared for some of these students, and the Department of State up to the present time has granted approximately 400 scholarships.

It would be unfair to China to leave the impression that only the United States Government is interested in cultural exchanges. Naturally, in the midst of the greatest war in her history China cannot be expected to make the program fully reciprocal. Recently, however, the Chinese Ministry of Education took a very important step when it offered 35 fellowships in American universities,

<sup>1</sup> BULLETIN of July 9, 1944, p. 38.

to be awarded to American students for the study of Chinese language and culture. Each year for five years these 35 fellowships will be repeated. This is a very substantial gesture of friendship by a nation which is combating both invaders and inflation at home.

#### IV

These cooperative activities by the American and Chinese Governments are directed primarily toward adults. What about the children? What about the public schools?

We know that many of the impressions and prejudices which we have about foreign countries, impressions which influence our thinking throughout our adult lives, are acquired before we are 18 years old. The public school can play an important role in orienting every child to the kind of world in which he lives.

In 1936 the fourteenth yearbook of the Department of Superintendents of the National Education Association, which was devoted to the social studies, listed the Far East as one of the neglected areas in American education. This fact was not a surprise to anyone, nor did it provide a solution.

In 1939 a student in the Graduate School of Education at Harvard University completed a thesis on the study of China and Japan in American secondary schools. His statistics are worth noting. An examination of 85 textbooks indicated that a pupil taking the most commonly offered social-studies course each year and using a textbook which gives the average amount of attention to the Pacific area would, during his high-school career, read only 58 pages of printed matter on the Far East, or 1.6 percent of the total textbook materials. More than a quarter of all the people in the world live in China and Japan, yet the textbooks devote less than 2 percent of their space to those countries.

This Harvard thesis showed also that the average textbook in the world-history course offered in the tenth grade of our high schools devotes about 20 pages to China and Japan, or 2.7 percent. The world-history course, I understand, is intended to give the high-school student one of the broadest approaches to an understanding of the world that can be offered in any of his high-school classes. Yet less than 3 percent of the course is devoted to eastern Asia.

Through the daily newspaper maps of the Far East the average pupil has apparently broadened his knowledge of Asia. In 1943 the Institute of Pacific Relations prepared a classroom test for high-school students on topics relating to the Far East. This test was given to about 22,000 students in many different states. More than 70 percent of the students knew the answers to some important questions. They knew that Japan, of all the Asiatic countries, had the largest trade with the United States. They knew that the United States had looked to the Netherlands East Indies for quinine. They knew that Japan had seized Formosa from China and the Marianas Islands from Germany. They knew that the Moslem League is a political organization in India. They knew about the treaty ports in China and the "unequal treaties".

But there were many gaps in their knowledge. More than half the students did not know that India has the second-largest population in the world or that China must import rice to feed its population. More than half of them did not know that the people who speak Chinese are the largest language group in the world. The majority of students could not locate Assam on the map, although American troops were then fighting in Assam, and the majority did not know that Kyoto is a city in Japan.

It is fair to point out that the shortcomings of the students can often be traced back to the teacher or to the teacher-training institutions. The American Association of Teachers Colleges in 1943 sent a questionnaire to 118 colleges to learn what training about the Far East was offered to future teachers. The Association found that one third of these colleges had no materials of any kind on the Far East in their libraries. One tenth of the colleges did not even mention the Far East in any course. The majority of colleges gave only brief attention to China and Japan, generally in history or geography.

An official of the United States Office of Education in summarizing this questionnaire commented that "the results . . . reveal only a casual concern with the Far East in most teacher-education institutions".<sup>1</sup>

Questionnaires serve to measure the problem, but they do not provide a remedy. There is no single

<sup>1</sup>"The Far East in Teacher-Education Programs", by Christian O. Arndt and Walter E. Hager, *School and Society*, Jan. 1, 1944, pp. 1-4.

remedy, although many educators have begun to work toward the solution from different angles.

The American Council on Education has established a Committee on Asiatic Studies in American Education which has produced a number of pamphlets for school children. The Institute of Pacific Relations has published a larger number of booklets on Asia for use in the schools, and it is now conducting a study of school textbooks in order to advise publishers on the improvement of Asiatic content whenever new editions are prepared.

The United States Office of Education in Washington has recently printed a number of bibliographies on China for the use of school teachers. These leaflets are sent free on request. The Office of Education also circulates through public schools a number of exhibits of books and art objects to interest students in the Far East.

At least a dozen universities are now offering special summer workshops on the Far East for high-school teachers.

This program is but the beginning of an effort to overcome a traditional limitation in our geographical outlook. If a stranger to this world were to examine our textbooks, he would come to the following conclusions:

1. The United States is the center of the universe.
2. The United States traces its history back to England; therefore the children must know about England.
3. The English people came originally from the continent of Europe; therefore the children must know about Europe.
4. The European people trace their origin back to the Near East in a period called ancient history; therefore the children study the Near East.
5. Outside this circumscribed, backward glance of Anglo-Saxon man, there are known to exist other peoples who are not very important in the daily lives of the American people and therefore need be studied only briefly.

It is apparently the outlook still contained in most of our textbooks and still taught by many of our teachers colleges. It is not an outlook that will prepare any school child adequately for life in a shrinking world.

It is a real problem for which the school must find a solution.

## Prohibition in Afghanistan of Cultivation of Opium Poppy

[Released to the press November 20]

The American Minister at Kabul, Afghanistan, Cornelius Van H. Engert, has reported to the Department of State that the Afghan Ministry of National Economy on November 6, 1944 published a brief declaration announcing as from March 21, 1945, the beginning of the Afghan year 1324, the prohibition in Afghanistan of the cultivation of the opium poppy and notifying all cultivators to discontinue the growing of that plant. The Minister also has reported the receipt of a formal note, dated November 11, 1944, from the Afghan Foreign Office confirming the decision of the Afghan Government to prohibit the cultivation of the opium-poppy plant. This note, the Minister stated, was in reply to the Legation's note of September 26, 1944, transmitted at the request of the Department, bringing to the attention of the Afghan Government the text of H. J. Res. 241 (Public Law 400, 78th Cong.) approved July 1, 1944, which requested the President to invite those countries where the cultivation of the poppy plant exists to limit the production of opium to the amount required for strictly medicinal and scientific purposes.<sup>1</sup>

The Department is gratified by the decision of the Afghan Government to prohibit the cultivation of the opium poppy, which is in accord with the policy of the United States Government. The Afghan Government's action, prompted by a spirit of hearty cooperation and humanitarian sentiments notwithstanding the heavy financial sacrifices involved, will be an important forward step in the solution of the world opium problem. It may be recalled that the British Government, in announcing its decision on November 10, 1943 to prohibit the use of smoking-opium in its Far Eastern territories when those territories are freed from Japanese occupation, stated that "The success of the enforcement of prohibition will depend on the steps taken to limit and control the production of opium in other countries." The Government of the United States hopes that a number of other opium-producing countries will find it possible to follow the example set by the Government of Afghanistan in prohibiting the cultivation of the opium poppy.

<sup>1</sup> BULLETIN of July 9, 1944, pp. 47 and 48.

## Health Program in Liberia<sup>1</sup>

A team of eleven American Negro scientists is about to launch a five-year health program in Liberia at the request of President Tubman and with the approval of President Roosevelt. The program will be carried out by the Public Health Service, it was announced by the State Department, which collaborated in the program.

The work, which is designed to raise Liberian health levels and to safeguard American war operations in the country, will be headed by John Baldwin West of the Public Health Service, who has already left for Liberia with two assistants.

The mission has three objectives: First, to take preventive measures against diseases communicable to the United States; second, to give American cantonment areas and air bases in Liberia adequate health protection; and third, to improve Liberian health in general.

Dr. West is a former major in the Army Medical Corps. The War Department worked with the State Department and the Public Health Service in setting up the program.

The Public Health Service contemplates the expenditure of a total of \$675,000 for this purpose on behalf of the African republic which was established in 1822 by freed American slaves. The Division of Cultural Cooperation of the State Department has allocated \$20,000 for education in nursing. Fellowships for Liberian medical students in the United States will be given by the Rockefeller Foundation.

## Colombian Dollar-Bond Indebtedness

[Released to the press November 21]

Dr. Gabriel Turbay, the Ambassador of Colombia, has informed the Department of State of the announcement of the offer of the municipality of Bogotá to exchange outstanding Republic of Colombia three-percent dollar bonds (which are now being fully serviced as to both interest and amortization) for the defaulted dollar bonds of the municipality. The offer marks a further stage of progress in resuming service on Colombian dollar-bond indebtedness.

In 1941 and 1942 the Government of Colombia offered settlements of its own direct and guaranteed dollar-bond obligations.<sup>2</sup> Dr. Turbay reports that only a relatively small percentage of the bonds covered by those offers remains to be exchanged and that most of those which have not been exchanged are believed to be held in European war areas.

## Consultation on Matters Relating to International Organization

### STATEMENT BY THE ACTING SECRETARY OF STATE

[Released to the press November 24]

The Acting Secretary of State, Edward R. Stettinius, Jr., at his press and radio news conference on November 24, 1944 said:

"It is not yet possible for me to give you any statement of the decision of this Government with respect to the proposed meeting of foreign ministers of the American republics. As you know, we have told the other governments that we would not make a final decision on this matter until we had had a full exchange of views with them. That exchange of views is still going on, in a friendly and constructive spirit. I have every reason to believe that all the governments concerned will be able to state their position on this question by the time of the next meeting of the Governing Board of the Pan American Union on December 6.

"I should like to point out that there is every reason why ample time must be allowed for the consultations now going on.<sup>3</sup> Nineteen governments are concerned. The subject of when a meeting of American foreign ministers should be held, and what the agenda should be, requires full consideration by each government. Some of the governments have been able to give us their views; others have not yet done so. It is our wish that each government should have the fullest and freest opportunity to express its considered views in due course, and that the entire process be carried out on a truly democratic basis. I venture to predict that the record will demonstrate beyond any question that this principle of free democratic discussion will have been observed, and that this Government's part in the discussion has been thoroughly in accord with that principle."

<sup>1</sup> Cf. press release 576 of Nov. 21, 1944.

<sup>2</sup> BULLETIN of Jan. 4, 1941, p. 12, and June 27, 1942, p. 565.

<sup>3</sup> BULLETIN of Oct. 29, 1944, p. 525, and Nov. 12, 1944, p. 565.

## Questions and Answers on the Dumbarton Oaks Proposals

[Released to the press November 20]

The Department of State has prepared the following questions and answers to assist in the study of the Dumbarton Oaks Proposals:

*What are the Dumbarton Oaks Proposals?*

The Dumbarton Oaks Proposals are recommendations for the establishment of a general international organization, which were agreed to by representatives of the United States, Great Britain, the Soviet Union, and China, at Dumbarton Oaks, Washington, D.C. The Proposals were published October 9, 1944.<sup>1</sup>

*What use will be made of these proposals?*

The Proposals are now being considered by these four Governments, with a view to completing several topics left for further consideration. The completed Proposals will then be formally submitted to the various Governments to serve as a basis of discussion at a full United Nations Conference at which the Charter of the Organization will be drawn up. The Charter would be subject to ratification by the signatory states in accordance with their constitutional processes.

*In what major fields would the proposed Organization operate?*

In the field of security, it would seek to prevent the outbreak of war (1) by encouraging peaceful adjustment or settlement of international disputes, (2) by preventing and removing threats to the peace, and (3) by suppressing breaches of the peace, by combined force if necessary.

In the field of economic and social cooperation, it would facilitate solutions of international economic, social, and other humanitarian problems, and promote respect for human rights and fundamental freedoms.

*Through what main bodies would the Organization operate?*

A General Assembly, composed of representatives of all member states, meeting in annual and special sessions, in which each state would have one vote;

A Security Council, composed of representatives of eleven member states and so organized as to be able to function continuously. The United States, Great Britain, the Soviet Union, China, and even-

tually France, would have permanent seats, while six states would be elected for two-year terms by the General Assembly;

An international court of justice, to whose statute all members of the Organization would be parties;

A Secretariat, comprising an expert staff and headed by a Secretary-General as chief administrative officer;

An Economic and Social Council, composed of representatives of eighteen member states chosen by the General Assembly for three-year terms;

A Military Staff Committee, composed of the Chiefs of Staff of the permanent members of the Security Council or their representatives with provision for the participation by other states when necessary.

*What states would be members of the Organization?*

Any peace-loving state could become a member of the Organization. States which do not become original members could be admitted by the General Assembly, upon recommendation of the Security Council.

*What would be the primary responsibilities of the General Assembly?*

It would:

(1) initiate studies and make recommendations for the promotion of international cooperation in political, economic, and social fields and for adjustment of situations likely to impair the general welfare;

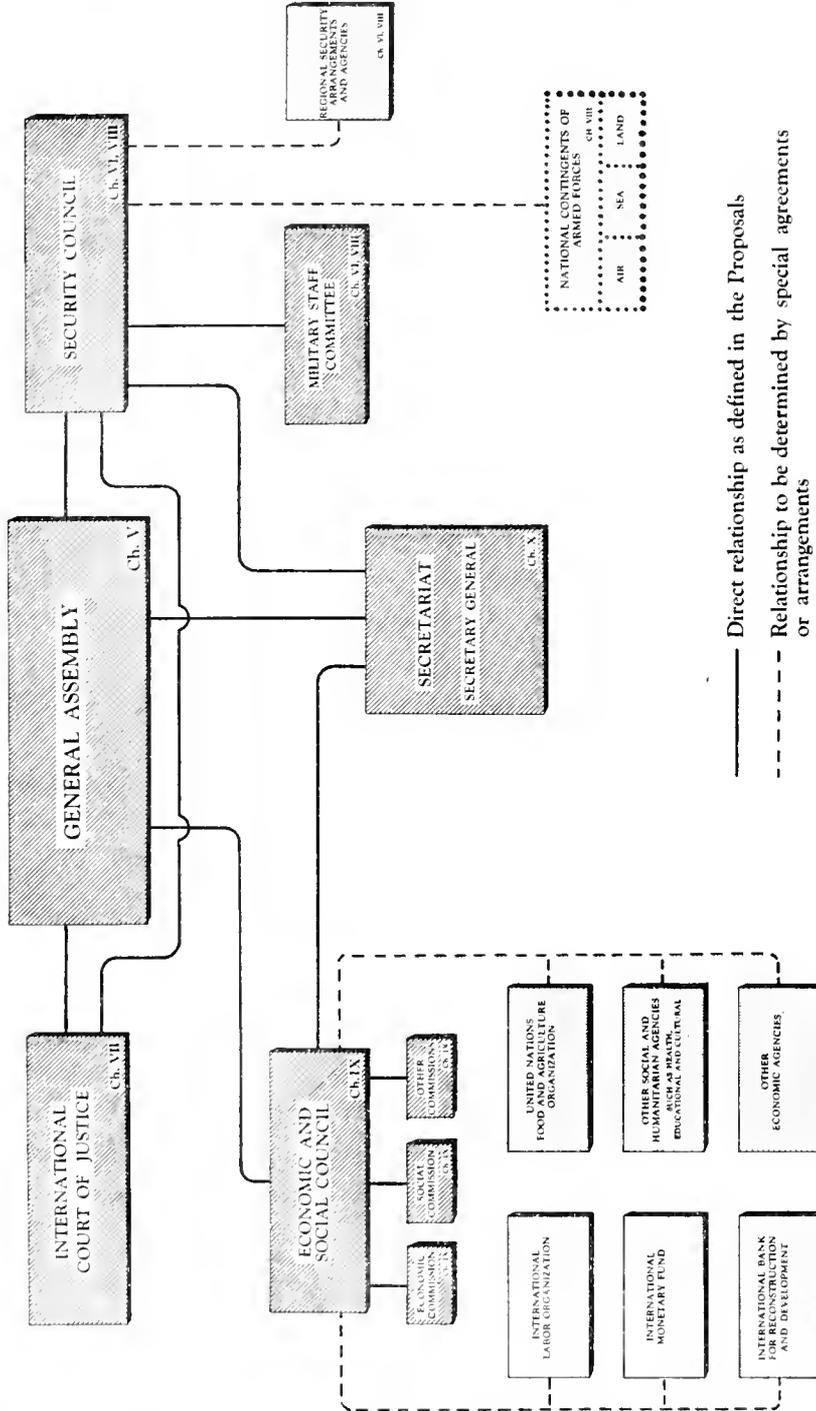
(2) consider and make recommendations with respect both to general principles of cooperation in, and questions relating to, the maintenance of international peace and security, except that the General Assembly would not on its own initiative make recommendations on any matter relating to the maintenance of international peace and security being dealt with by the Security Council;

(3) make recommendations for coordinating the policies of the specialized agencies brought into relationship with the Organization;

(4) elect the non-permanent members of the Security Council and all the members of the Economic and Social Council; and

<sup>1</sup> BULLETIN of Oct. 8, 1944, p. 368.

# THE UNITED NATIONS DUMBARTON OAKS PROPOSALS FOR THE GENERAL INTERNATIONAL ORGANIZATION



Chapter numbers refer to the Dumbarton Oaks Proposals, October 7, 1944.  
State Department Publication 2192.

Prepared by the Division of International Security and Organization,  
and the Division of Geography and Cartography, Department of State.

The chart on page 632 illustrates the structure of the general international organization proposed tentatively by the United States, Great Britain, the Soviet Union, and China on October 9, 1944, following the conversations of their representatives. This chart, which was released to the press November 20, was prepared subsequent to the conversations held at Dumbarton Oaks to indicate graphically the relations between the different organs of the proposed organization and the relations with other organizations to be determined by special agreements or arrangements.

(5) be responsible for the finances of the Organization.

*What would be the principal powers of the Security Council for maintaining peace?*

It would be empowered:

(1) to investigate any dispute or any situation the continuance of which might lead to international friction or give rise to a dispute;

(2) to call upon states to settle their disputes by peaceful means of their own choice;

(3) to recommend to states appropriate procedures or methods of adjustment of disputes likely to endanger the maintenance of international peace and security;

(4) to determine whether any situation threatens the peace or involves a breach of the peace, and to take any measures necessary to maintain or restore peace, in accordance with the purposes and principles of the Organization;

(5) to take diplomatic, economic, and other measures to give effect to its decisions; and

(6) to employ air, naval, or land forces to maintain or restore international peace, if measures short of force prove inadequate.

*How would the Security Council obtain the military forces that might be needed in maintaining peace?*

Member states would conclude a special agreement or agreements among themselves, subject to approval by the Security Council and to ratification in accordance with their respective constitutional processes. The agreement or agreements would specify the numbers and types of forces and the nature of the facilities and assistance to be made available to the Security Council. The Security Council could call upon some of the mem-

bers of the Organization, or when necessary all of them, to make available the forces, facilities, or assistance thus agreed upon, including national air-force contingents which member states would hold immediately available to enable urgent military measures to be taken by the Organization.

*How would the Security Council employ any military forces made available to it?*

Armed forces placed at the disposal of the Security Council would operate under its authority in accordance with plans made by the Security Council with the assistance of the Military Staff Committee. Questions of the command of such forces would be worked out later.

*What provisions are made for the regulation of armaments?*

The Security Council would have responsibility for formulating plans for the establishment of a system of regulation of armaments to be submitted to member states. The Military Staff Committee would advise the Security Council on questions relating to the regulation of armaments and to possible disarmament.

*What would be the functions of the international court of justice?*

As the principal judicial organ of the Organization, it would consider and render judgments in disputes referred to it which can be settled upon the basis of rules of law. The court would also, upon request, give advice to the Security Council on legal questions involved in other disputes.

*What would be the chief responsibilities of the Economic and Social Council?*

The Economic and Social Council, acting under the authority of the General Assembly, would be responsible for:

(1) facilitating solutions of international economic, social, and other humanitarian problems;

(2) promoting respect for human rights and fundamental freedoms; and

(3) recommending the coordination of the activities of international organizations and agencies which may be brought into relationship with the Organization, such as the projected United Nations Food and Agriculture Organization, the International Labor Organization, the proposed International Monetary Fund and the International Bank for Reconstruction and Development, and prob-

ably other specialized agencies in the field of education, cultural cooperation, health, etc.

*Why should the United States, Great Britain, the Soviet Union, China, and France have permanent seats on the Security Council?*

It is necessary and inevitable that primary responsibility for maintaining international peace and security should rest upon those states which, by reason of their capacity and resources, are in the best position to exercise that responsibility most effectively. This heavy responsibility would be discharged under the authority of the whole Security Council and on behalf of the whole Organization.

*What positions would smaller states have in the Organization?*

In the General Assembly their representatives would have an equal voice with the larger states. They would occupy six non-permanent seats on the Security Council and so participate in all important security decisions. All members of the Organization would have equal access to and equal standing before the international court of justice, and would be equally eligible to election as one of the eighteen members of the Economic and Social Council.

*What would be the effect of the establishment of the United Nations upon the inter-American system and any other such regional arrangements?*

Regional systems or arrangements whose principles and purposes are consistent with those of the United Nations Organization would not be prohibited. These systems and arrangements would be encouraged, either on the initiative of the states concerned or by reference from the Security Council, to undertake the peaceful settlement of such disputes as are appropriate for regional action. Regional agencies might also be used in enforcement actions, but only with the authorization and under the supervision of the Security Council.

*What are some of the important differences between the proposed Organization and the League of Nations?*

(1) Unlike the League of Nations, where both the Assembly and the Council had similar general powers, in the proposed Organization the primary

responsibility for the maintenance of international peace and security would be assigned to the Security Council, while the General Assembly would have primary responsibility for the facilitation of solutions of international economic, social, and other humanitarian problems and the promotion of respect for human rights and fundamental freedoms.

(2) The proposed Charter would make illegal the threat or use of force in any manner inconsistent with the purposes of the Organization, in contrast to the League Covenant which made only outright war illegal.

(3) The proposed Organization would be empowered to ensure that states not members of the Organization act in accordance with the principles of the Organization so far as may be necessary for the maintenance of international peace and security, whereas the League Covenant contained no provision with respect to compliance by non-member states with the principles of the Covenant for the maintenance of peace.

(4) The new Organization would not have one Council, as did the League, but would have instead more specialized Councils, including the Security Council and the Economic and Social Council, each with responsibilities in clearly defined fields and with different composition and powers to correspond with their specialized tasks.

(5) The Security Council would have greater powers in the use of military and non-military enforcement measures than did the League Council, particularly since the projected agreements and arrangements among member states would place two basic obligations on states not explicitly recognized under the League: the obligations (a) to *make available* forces, facilities and assistance necessary to the Security Council in maintaining peace, and (b) to *hold immediately available* national air force contingents for carrying out urgent military measures through combined international enforcement action.

(6) The Economic and Social Council, under the authority of the General Assembly, would be empowered to consider not only an enumerated list of problems in the field of economic and social cooperation, as was the League, but to facilitate solution of problems in this field generally.

(7) In contrast to the League, which provided for placing only existing international bureaus

under the direction of the League, the present Proposals provide that each specialized economic, social, and other organization or agency, existing or projected, should be brought into relationship with the new Organization on mutually agreeable terms.

(8) The unanimity rule that prevailed in the League would not be applied in the new Organization except perhaps in restricted form and in restricted categories of cases, yet to be defined. The General Assembly would deal with important questions by a two-thirds vote, and the Economic and Social Council would make its recommendations by majority vote.

(9) The international court of justice would be one of the principal organs of the proposed Organization and its statute a part of the Charter of the Organization, instead of being a related body as was the case with the Permanent Court of International Justice.

(10) The Military Staff Committee would be a new feature in international organization.

(11) Provision would be made for the suspension from the exercise of any right or privilege of membership of any member of the Organization against which preventive or enforcement action is taken, a provision not contained in the League Covenant.

(12) The Charter of the proposed Organization would be an independent instrument, unlike the League Covenant which was incorporated in the Treaty of Versailles and other peace treaties.

*Where can copies of the Proposals be obtained?*

A pamphlet entitled, *Dumbarton Oaks Documents on International Organization*, State Department Publication 2192, may be obtained at 5 cents per copy from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

## Exchange Rate for Turkish Lira

[Released to the press November 20]

The American Ambassador to Turkey, Laurence A. Steinhardt, has notified the Department of State that the Turkish Government has granted a premium of 40 percent on exchange of dollars for Turkish lira to be used for the purchase of Turkish goods for export. Effective November 15, 1944

American importers will obtain approximately 1.80 lira for a dollar, as against the previous rate of exchange of 1.29 lira to the dollar.

## Anniversary of the Founding Of the Soviet Union

MESSAGE OF THE PRESIDENT OF THE PRESIDIUM TO PRESIDENT ROOSEVELT

[Released to the press November 20]

I beg you, Mr. President, to accept my sincere thanks for your greetings on the occasion of the anniversary of the formation of the Soviet Union. I entirely share the thoughts which you expressed concerning the approaching victory over our common enemy and concerning the importance of the strengthening of the cooperation established between the United Nations as the basis for a future lasting and just peace.

M. KALININ

## Payment by Mexico Under Claims Convention of 1941

[Released to the press November 21]

The Ambassador of Mexico has presented to the Acting Secretary of State the Mexican Government's check for \$2,500,000 (United States currency) representing the third annual instalment due to the United States under the Claims Convention concluded November 19, 1941. The Acting Secretary of State requested the Ambassador to convey to his Government an expression of this Government's appreciation.

Under the terms of the convention Mexico agreed to pay the United States \$40,000,000 (United States currency) in settlement of certain property claims of citizens of the United States against the Government of Mexico, as described in the convention. Payments heretofore made amount to \$11,000,000. With the present payment of \$2,500,000 the balance remaining to be paid amounts to \$26,500,000, to be liquidated over a period of years by the annual payment by Mexico of not less than \$2,500,000 (United States currency).

# Thailand: Social and Political Structure

By AMRY VANDENBOSCH and KENNETH P. LONDON<sup>1</sup>

THAILAND occupies the central part of the Indochinese Peninsula and a considerable part of the Malay Peninsula; it has a long coastline on the Gulf of Siam but a relatively short one on the Bay of Bengal. Except in the Kra Isthmus, which is wholly under Thai sovereignty, Thailand is separated from the Bay of Bengal by a long, narrow strip of Burmese territory. Thailand had in 1939 an area of 200,148 square miles, exclusive of the recent annexations, under Japanese aegis, of neighboring territories. The name of the country was officially changed from Siam to Thailand in 1939.

## I. Social and Economic Structure

### DEMOGRAPHIC FACTORS

At the last official census, that of 1937, Thailand had a population of 14,464,489; its present population is estimated at 16,000,000. Bangkok, the only large city, had 681,214 inhabitants in 1937. Thailand as a whole is sparsely populated. Only central Thailand and the Menam delta area around Bangkok have a dense population.

The Chinese constitute an important element in the economic life of the country. The census of 1937, which took into consideration only immigrant Chinese, gave the number of Chinese in Thailand as 524,062. Semi-official Chinese estimates run as high as 2,500,000 but include persons of mixed as well as pure Chinese blood born in Thailand and fail to take into consideration the fact that many of these consider themselves to be Thai. About 1,600,000 people in Thailand consider themselves to be Chinese. In 1937 Malays and Indians together amounted to less than 400,000, of which the Malays constituted about 325,000. The Malays are generally peasant rubber-cutters, the Indians merchants or watchmen.

Religiously Thailand is rather homogeneous. The Malays, who are Moslems, constitute the only

significant religious minority. Christians numbered 70,000 in 1937.

### ECONOMIC STRUCTURE AND POLICY

Eighty percent of the population of Thailand is engaged in agriculture. Rice, which is the chief crop, formed 65 percent of the value of the exports in 1929, but 10 years later it had dropped to 48 percent because of greater diversification of agricultural production and the rise of other exports such as tin and rubber. Tin accounted for 15 percent of all exports in 1938-39 and rubber for 12 percent. Teak and other woods formerly constituted an important item of export but by 1938-39 had declined to less than four percent of the total exports. Total imports for the fiscal year 1938-39 amounted to about \$50,000,000 and exports to \$77,500,000. The chief imports were cotton textiles and other manufactured goods.

The commercial life of the country was largely in the hands of the Chinese. It has been estimated that in 1932 about 95 percent of the country's business was in the control of foreigners. The Thai and Malays served as peasants and laborers and the Chinese as middlemen, and Europeans and Chinese operated the teak and rubber concessions. To cope with this situation the Thai Government began to restrict immigration, adopted anti-foreign economic measures, and instituted a policy of nationalization of large-scale enterprises. These measures had been in force only a short time; hence their effectiveness remains undetermined.

### CULTURAL DEVELOPMENT

#### *Education*

Thai achievements in education, compared with those of other countries of the region, are of a fairly high order. The census of 1937 showed a literacy of 31 percent. From 1937 to 1939 the appropriation for the Ministry of Education was increased by 400 percent, but the appropriations were still inadequate. For the fiscal year 1941 the central Government appropriated for education \$6,000,000, an amount which was about 11 percent of the total national budget.

Primary education covering a four-year course is provided by local schools, supervised and sup-

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ported by the central Government. There are also private and municipal schools which provide primary education and which are supervised by the Government. The local schools, which had an enrolment of 1,325,000 pupils in 1939, teach only the simple rudiments of reading and writing. Few of the teachers have more than a primary education. Secondary schools supported by the Government had a total enrolment in 1939 of 61,000. Higher education is provided by Chulalongkorn University and the University of Moral and Political Sciences. Many Thai studied abroad: In 1938 there were said to be 200 Thai students in Japan, 200 in the Philippines, 100 in England, 50 in France, 50 in America, and 20 in Germany. The Government provided scholarships for a number of these students.

#### *Press and Radio*

Press circulation does not exceed 100,000 in a country of over 15,000,000 people. All newspapers are published in Bangkok, and copies are shipped by express to dealers for distribution in all principal towns. Because of the exercise of Government controls, the press has not been in a position to exert an independent political influence. Radio sets are to be found in all parts of the country. The Government, through its control of broadcasting, has utilized the radio for propaganda purposes.

## II. Political Structure and Developments

### THE MONARCHY BEFORE 1932

Prior to the *coup d'état* of June 1932 Thailand was an absolute monarchy, ruled by the Chakri dynasty. King Prajadhipok instituted a Supreme Council composed of his close relatives, to whom he delegated considerable authority. Commoners were admitted to the civil service, but princes held most of the high administrative and military positions: They were at the head of eight of the twelve ministries under Prajadhipok. Foreign advisers were attached to almost every ministry. On several occasions Prajadhipok promised a constitution, and at the time of the 1932 revolution he was considering two drafts which a foreign adviser had prepared for his study.

### THE REVOLUTION

#### *Coup d'État of June 24, 1932*

The *coup d'état* of June 1932 was not the product of a wave of nationalism. Actually the number

of people in Thailand who were stirred by national consciousness was small, and the *coup d'état* merely brought about a transfer of authority from the monarchy to a small minority of Western-trained civilians and military officers who labeled themselves the People's Party. The affair was bloodless except for the superficial wounding of an Army general who refused to join the movement. Within 48 hours the *coup* was completed with the King's acceptance of a provisional constitution which abolished the absolute monarchy and stripped him of most of his powers. Throughout the uprising the King was treated with consideration and loyalty.

#### *Causes*

The causes of the revolution may be traced to the discontent of the Western-trained intelligentsia with the incompetence of the monarchy and with the monopolization of the higher governmental positions by the royal princes. During the 1920's these foreign-trained Thai, most of whom held Government positions, as well as the graduates of native and missionary institutions, followed the leadership of a brilliant young Paris-trained lawyer, Luang Pradit Manudharm.

The coming of the depression and the application of measures adopted by the monarchy to meet the resulting conditions increased the rapidly growing dissatisfaction and brought it to a head. The decline in world markets forced down the prices of teak, tin, and rice and presented to the Government a serious fiscal problem. In an attempt to reduce administrative expenses large numbers of civil servants were dismissed, but nepotism spared many of those of princely blood. Appointment was denied to all except a few of the young educated members of the middle class, which disparaged any career except civil service. A salary tax and a land tax bore heavily on civil servants, the relatively small white-collar class, and the small-house owner and landowner. Support for the civilian elements also came from a group of military officers who were likewise antagonized by the monarchy's policy of retrenchment. The actual *coup d'état* was engineered by a small number of these militarists, under the leadership of Col. Phya Bahol and two other high Army officers.

In spite of the revolution conservative elements of the old regime retained considerable authority. During the following year, 1933, they were able to reduce the authority of the revolutionists to a

minimum. Freedom of the press was restricted, and the formation of political parties in the Assembly was prohibited. Officials of alleged radical leanings were gradually eliminated. The *coup de grâce* was delivered in April, when Luang Pradit, the liberal leader, produced a new electoral law and a program for social and economic reform, which were immediately labeled communistic by the conservatives. As a consequence Luang Pradit was encouraged to leave the country, and because of the strength of his following, it was considered advisable to prorogue the Assembly.

#### *Coup d'État of June 1933*

Elimination of the Luang Pradit liberal element narrowed the struggle to one between the military group led by Col. Phya Bahol, who led the armed forces in the 1932 *coup d'état*, and the conservative forces of Phya Mano. On June 17, 1933 four military members of the State Council, including Phya Bahol, all of whom had been leaders in the 1932 revolution, resigned. Three days later Phya Bahol and a small group of military and naval leaders, including Col. Luang Pibul Songgram, who was to become Prime Minister five years later, executed a second *coup d'état*, likewise bloodless, which transferred authority once again from conservative to revolutionary elements. The leading conservatives were arrested, and others resigned upon request. The King's approval of the *coup* was secured on the ground that the Phya Mano government had violated the constitution in proroguing the Assembly the preceding April. Phya Bahol became Prime Minister of the new State Council and retained his position of Commander in Chief of the Army. Shortly thereafter arrangements were made for the return of Luang Pradit to the country and to membership in the State Council. A staged Assembly investigation soon cleared him of charges of communism.

#### *Abortive Counterrevolution, October 1933*

Although Phya Bahol retained the laws passed by Phya Mano's government the princes and conservative elements were alarmed by new evidences of liberal tendencies, particularly the return of Luang Pradit and his friends and sympathizers. In October 1933 the conservatives, under the direction of Prince Bavoradej Kritakara, a former minister of war, unsuccessfully attempted a counter-revolution. The greater part of the Army remained loyal to the Government, and the revolt

failed. The King, who was not in Bangkok when the revolt began, secluded himself in the South and refused to return voluntarily. Some members of the royal family who were implicated in the affair were subsequently exiled from the country.

Since the suppression of the revolt which ended the power of the conservative-royalist elements the monarchy has no longer been influential politically. According to the constitution no member of the royal family may hold public office. In June 1935, following the refusal of the Government to allow him to retain full power of pardon, King Prajadhipok, who was in England at the time, finally abdicated. He remained in England until his death in 1940.

Prajadhipok was succeeded by his 10-year-old nephew, Ananda Mahidol, a schoolboy in Switzerland, who has returned to Bangkok only once since his accession.

#### *Emergence of Conflict Between Liberal and Military Factions*

With the passing of the conservative-royalist elements the internal struggle for power was carried on by the forces of the liberal Luang Pradit on one side and a military clique under the leadership of Col. Luang Pibul, a participant in the second *coup d'état*, on the other. Neither group was strong enough to eliminate the other. The Prime Minister, Phya Bahol, although an Army officer, was able to serve as a unifying factor between the two groups.

The influence of Luang Pradit was reflected in such measures as revision of the tax system and proposals for elaborate social and economic reform. Although the civilian group retained considerable influence during the ensuing period the balance of power steadily passed to the militarists under Luang Pibul. The defense budget was periodically enlarged, and military officers were appointed in increasing numbers to administrative posts and to membership in the Assembly. Their mounting influence was reflected in the nationalistic character of both domestic and foreign policies. Public leaders gave repeated testimony of their support of democratic government, but in practice they constituted a relatively small military dictatorship tempered only by the counsels of a few civilian leaders of influence.

#### *Rise to Power of Luang Pibul, 1938*

In December 1938 Col. Luang Pibul finally replaced Phya Bahol as Prime Minister. Luang

Pradit continued to exert considerable influence in political affairs, however, and received the appointment as Minister of Finance in the new Government. The growing dominance of the largely military clique surrounding Luang Pibul was revealed in the suppression of opposition in the Assembly and among civilian elements of the Government; the application of increasingly nationalistic economic measures, particularly against the Chinese middle class; and the development of such features of the totalitarian state as a youth movement, militarism in education, and anti-foreignism. In 1940 the ruling group assured themselves of 10 more years of control of the Government by securing the adoption of a constitutional amendment delaying the election of all members of the Assembly until 1952.

#### *Conspiracy of 1939*

Attempts of the Luang Pibul regime to suppress all elements not whole-heartedly in sympathy with its program produced growing opposition among dissident groups. In January 1939 a conspiracy was uncovered which resulted in the conviction of over 40 persons, including an uncle of the boy king, a former deputy minister of economic affairs, the former Commander in Chief of the Siamese Expeditionary Force in France during the first World War, and 22 other Army, Navy, and police officers. The Government applied extreme measures against the conspirators, who were convicted by a specially created tribunal, which met in secret session and from which there was no appeal. Eighteen persons received the death penalty and 25 others life imprisonment. The suppression of the conspiracy appears to have eliminated such conservative-royalist influence as remained within the country.

### CONSTITUTIONAL STRUCTURE OF GOVERNMENT

The structure of government established under the constitution of December 1932 resembles in form the British parliamentary system. In actual operation, however, political authority is in the hands of a narrow ruling group.

#### *King*

Under the constitution the King was left with very little authority. He retains the rights of pardon and veto, but the veto may be overridden by the Assembly. He can propose legislation and can issue emergency decrees, but such decrees must bear the countersignature of the responsible min-

ister and are subject to review by the Assembly at its next session. The King also has power to proclaim martial law, declare war, make peace, and conclude treaties. All his authority, however, is exercised only upon the advice of the Council of Ministers. With the accession of the boy king a regency was appointed by the Assembly.

#### *Council of Ministers*

Conduct of political and administrative affairs rests with the Council of Ministers, which is composed of from 15 to 25 members. The President of the Council, who is the Prime Minister, and 14 other members must belong to the Assembly, and up to 10 additional ministers who are not members of the Assembly may be appointed by the King. These ministers, however, do not have the right to vote in the Assembly. The Council controls the King, who acts only upon its advice. The constitution provides for Council responsibility to the Assembly, with resignation in a body following a vote of non-confidence or the election of a new Assembly. Actually the Assembly is completely subservient to the Council.

#### *People's Assembly*

As originally planned the Assembly was to pass through three stages as the people acquired the ability to govern themselves. For the first six months all 70 members were appointed by the leaders of the 1932 *coup d'état*. Then, following the first election, one half the members were elected and one half were appointed by the King upon recommendation of the Council. The third stage, providing for election of all members, was to begin when one half of the electorate had received a primary education. It was stated that if this goal had not been reached in 10 years the third stage nevertheless would be introduced. In 1940, however, the Assembly adopted a constitutional amendment postponing election of the full membership for another 10 years, until 1952.

Elected members of the Assembly must be Thai citizens over 23 years of age and must be residents of their districts. The term of office is four years. The electorate includes both men and women. There are no literacy qualifications. Dissolution of the Assembly applies only to the elected members.

Nominally the Assembly controls legislation, taxation, and expenditures, and it has the right to interpret the constitution. It may override the veto of the King by a majority vote. Amendments

to the constitution must pass the Assembly twice by a three-fourths majority.

#### *Actual Character of Government*

Although nominally a constitutional, semi-parliamentary monarchy, the Pibul government of Thailand was actually a dictatorship in the hands of a relatively small number of military and civilian office-holders headed by the Prime Minister, Gen. Luang Pibul Songgram. An increasing number of ministers, appointed members of the Assembly, and members in the civil service have been Army or police officers. The Pibul government continued until August 1944, at which time it was replaced by a government which is generally believed to be democratic in objectives. It is too early, however, to attempt to characterize this government.

By playing one power against another Thailand succeeded in maintaining itself as the sole independent state of southeastern Asia, but it did so at the loss of some territory and with a restriction on its sovereignty for a considerable period. In a treaty with Great Britain in 1855 Siam granted exemption from the jurisdiction of Siamese courts to all British subjects in Siam and agreed never to raise its import duties on English goods beyond three percent. In 1856 the United States obtained a similar treaty,<sup>1</sup> and by 1870 France, Denmark, Portugal, the Netherlands, Germany, Sweden, Norway, Belgium, Italy, Austria-Hungary, and Spain had done likewise. Since the agreement included the Asiatic subjects of these states the exemption from Siamese courts extended to many persons.

By treaty in 1907 France agreed that its Asiatic subjects and protégés should henceforth be subject to the jurisdiction of the Siamese courts, though some extraterritorial rights were retained for all French subjects and protégés registered at a French consulate prior to 1907. In return for this concession Siam agreed to extend to French Asiatic subjects all the rights and privileges enjoyed by Siamese subjects. In 1909 a similar treaty was concluded with Great Britain. The United States in 1920<sup>2</sup> agreed to surrender all rights of extraterritoriality upon completion of the Siamese legal codes, reserving only the right of consular evoca-

tion for a period of five years after the promulgation of its codes. In the same treaty the United States Government recognized the right of Siam to fiscal autonomy, agreeing to remove the restriction as soon as all other treaty powers having similar rights should do so. Similar treaties were obtained from Japan in 1923, France, the Netherlands, Great Britain, Spain, and Denmark in 1925, and Italy, Belgium, and Norway in 1926.

During the course of the years Siam's indefinite frontiers became delimited, partly by cession of territory over which it had more or less valid claims. Large areas were lost to France in 1893, 1904, and 1907, and in 1909 Siam surrendered all claims over the Malay States of Perlis, Kedah, Kelantan, and Trengganu in favor of Great Britain.

Because of the large number of Chinese nationals in Thailand and because of geographic proximity the relations with China would seem to be of far greater importance than those with any other country. Nevertheless, the two countries have never entered into diplomatic relations with each other. In 1939 the Thai Government began an active campaign to break the control of the Chinese over the economic life of the country. Thailand is not likely to enter into diplomatic relations with China before the status of the large number of Chinese in Thailand has been definitely established by treaty.

Until recent years relations with Japan have been slight. The world first became conscious of Thai fear of Japan's power in 1932, when Siam's representative in the League of Nations abstained from voting in the Manchuria Affair. The mildly Fascist government which gradually developed in Thailand in the years following 1933 slowly oriented itself in the direction of Japan. Parallel with the increasingly dictatorial, military character of the Luang Pibul regime were evidences of pro-Japanese sympathies of a growing number of its members. The Thai Government turned to Japan for the purchase of materials and for officer training. In July 1939 it was reported that a small group of officers in the immediate entourage of Prime Minister Luang Pibul was urging some form of military alliance with Japan. The Minister of Public Instruction, an Admiral, another Minister of State who was chairman of the Thai youth movement, and several Deputy Ministers were leaders in the movement.

<sup>1</sup>Treaty Series 322; 11 Stat. 683 and 18 Stat. 695.

<sup>2</sup>Treaty Series 655; 42 Stat. 1928. See also Treaty Series 940; 53 Stat. 1731.

Japanese occupation of Indochina was followed by increased influence of the pro-Japanese elements. By the autumn of 1940 they were maneuvering Thailand into the Japanese orbit. With Japanese encouragement and the use of press and radio propaganda, border incidents, and public demonstrations, an artificial Irredentist movement was set on foot. This action speedily bore fruit. By treaty of May 9, 1941 the Government of Indochina ceded some 25,000 square miles of territory to Thailand. By direct agreement with Japan in July 1943 Thailand annexed Trengganu, Perlis, Kedah, and Kelantan, four of the Unfederated Malay States, and the Shan States of Mong Pan and Kengtung of Burma. Brief resistance to Japanese invasion was offered by the Thai forces in December 1941. On December 21 Thailand and Japan signed a 10-year treaty of alliance, by which Thailand agreed to assist Japan against the Allies. Thailand's declaration of war against Great Britain and the United States followed on January 25, 1942.

There was a pro-Japanese element in the Thai Council of State, and in the decade since the revolution of 1932 the Government had become steadily more military and authoritarian in character. To what extent the Thai people supported the Government in its pro-Japanese policy it is difficult to ascertain. Most people who know Thailand well, including several who remained in Thailand until the Japanese occupation, are unanimous in asserting that the policy of the Government was contrary to the wishes of the vast majority of the Thai. But whatever the desire of the people, they were largely inarticulate, and they had little or no control over the Government. Japanese pressure was great; Thai military power was practically nil; and Great Britain and the United States were unable to render assistance.

## Joseph C. Grew Returns From Pearl Harbor

### STATEMENT BY THE ACTING SECRETARY OF STATE

[Released to the press November 20]

Joseph C. Grew, Director of the Office of Far Eastern Affairs, returned on November 18 from Pearl Harbor, where he had spent a week as the guest of Admiral Nimitz. During his stay a free exchange of views was carried on between Mr.

Grew and the officers of Admiral Nimitz' staff, both naval and military, and it is believed that the result of this visit will be a closer coordination between the work of the State Department and that of Admiral Nimitz' headquarters in the conduct of the Pacific war. Mr. Grew was deeply impressed with the effectiveness of Admiral Nimitz' organization, with the personality of the officers responsible for the conduct of operations against Japan, and with the vision and thoroughness with which the plans for the conduct of the Pacific war have been formulated and are being carried out.

## The President's War Relief Control Board

### REVISION OF REGISTRATION REGULATIONS<sup>1</sup>

On November 22, 1944 Charles P. Taft, acting chairman of the President's War Relief Control Board, approved a revision of registration regulations. Section 501.6 of part 501 (Solicitation and Collection of Funds and Contributions for War Relief and Welfare) is superseded in its entirety by the following section:

*501.6 Registration of agents and affiliated associates.* Each applicant for registration shall specify (1) any unit, including a committee, branch, or chapter, which will operate under the applicant's name as an agent of the applicant, and (2) any unit which will cooperate under its individual name as an associate of the applicant to further a common purpose. The registrant shall apply to the Board for an amendment to its notice of acceptance of registration in respect to any additional agent or associate which it proposes to establish or accept.

Section 501.7(a) is amended by adding the following sentence:

*501.7 Registration restrictions . . . Provided* That a person may, without the authority of such a notice, engage in the activities specified in this section as agent of a registrant, or for its own account and purposes if it is named in the application of a registrant as an associate of the registrant, subject to the conditions set forth in a notice of acceptance of registration, or in an amendment of registration.

<sup>1</sup>9 *Federal Register* 14018.

## Visit of Ecuadoran Educator<sup>1</sup>

Dr. Pío Jaramillo, professor of constitutional law in the University of Quito, Ecuador, and president of the *Instituto Indigenista* (the Institute of Indian Affairs) of Ecuador, has arrived in Washington as guest of the Department of State. His association with Indian affairs is long-standing and has made him a recognized authority on the subject. While in this country Dr. Jaramillo will visit Indian schools and university centers, where he will give several lectures on the art and the literature of Ecuador.

Dr. Jaramillo states that the *Instituto Indigenista* is concerned with the standard of living of the Ecuadoran Indian and that it is interested in enlarging his opportunities. Special attention is being given to questions of education and health as well as to historical and sociological studies. The Indian population of Ecuador, Dr. Jaramillo states further, is showing an intelligent response to efforts on its behalf. For example, the Indians have sent a delegation to the constitutional assembly now meeting at Quito to draw up a new constitution for the country and have discussed there with representatives of the *Instituto Indigenista* measures for their advancement that should be written into the law of the land.

### TREATY INFORMATION

#### Development of Foodstuffs Production In Venezuela

The *modus vivendi* between the United States and Venezuela for the development of foodstuffs production in Venezuela, effected by exchange of notes signed at Caracas on May 14, 1943,<sup>2</sup> has been extended for one year in accordance with the terms of the *modus vivendi*. The *modus vivendi* provides in part that "it may be extended for one year more by the simple statement of willingness of the Government of the United States of Venezuela".

There follows a translation of a note of May 13, 1944 from the Acting Minister of Foreign Affairs of Venezuela to the American Ambassador, by which the *modus vivendi* has been extended.

<sup>1</sup> Cf. press release 577 of Nov. 22, 1944.

<sup>2</sup> Executive Agreement Series 333.

<sup>3</sup> Executive Agreement Series 385.

CARACAS, May 13, 1944.

MR. AMBASSADOR:

I have the honor to address Your Excellency for the purpose of communicating that the Government of Venezuela, in the exercise of the authority which the eighth paragraph of Article 17 of the Customs Tariff Law confers upon it and in accordance with the last paragraph of the *modus vivendi* concluded between our countries on May 14, 1943, concerning the best way of organizing the development of the production of foodstuffs in Venezuela, has decided to prolong the said *modus vivendi* for the term of one year counting from this date.

I avail [etc.]

R. PICÓN LARES

#### Inter-American Cooperative Food Production Service in Peru

The American Embassy at Lima has transmitted to the Department, with a despatch of October 17, 1944, a copy of an exchange of notes of August 18 and October 10, 1944 between the Government of the United States and the Government of Peru extending to August 31, 1945, with modifications, the agreement relating to the establishment of the Inter-American Cooperative Food Production Service in Peru, effected by exchange of notes signed at Lima May 19 and 20, 1943.<sup>3</sup> The exchange of notes of August 18 and October 10, 1944, effective as of May 19, 1944, approves a memorandum of agreement signed on June 1, 1944 by the Executive Vice President of the Institute of Inter-American Affairs and by the Minister of Agriculture of Peru.

#### Commercial "Modus Vivendi", Venezuela and Chile

The American Embassy at Caracas transmitted to the Department, with a despatch of November 8, 1944, a copy of an exchange of notes signed at Caracas on November 4, 1944 effecting a further renewal for one year from November 5, 1944 of the commercial *modus vivendi* between Venezuela and Chile signed at Caracas on October 11, 1941. The notes of November 4 are published in the Venezuelan *Gaceta Oficial* No. 21,554 of November 6, 1944, page 144,703.

## Health and Sanitation Agreement With Venezuela

The American Embassy at Caracas has transmitted to the Department certified copies of an exchange of notes of June 28, 1944 between the Government of the United States and the Government of Venezuela effecting an extension, subject to certain stipulations, of the health and sanitation agreement between the two countries effected by exchange of notes signed at Caracas February 18, 1943.<sup>1</sup> The exchange of notes of June 28, 1944 provides that the extension of the agreement is effective from July 1, 1944 and that the agreement will terminate at the end of a 30-month period, or on December 31, 1946.

There is printed in the Venezuelan *Gaceta Oficial* No. 21,501, of September 4, 1944, Executive Decree No. 188 of September 4, 1944 reorganizing the Oficina Cooperativa Interamericana de Salud Publica, which was established by Executive Decree No. 58 of March 26, 1943 in accordance with provisions of the health and sanitation agreement of February 18, 1943.

## PUBLICATIONS

### DEPARTMENT OF STATE

Revision of Canal Projects: Agreement between the United States of America and Canada—Effected by exchange of notes signed at Ottawa June 7, 1944. Executive Agreement Series 416. Publication 2208. 8 pp. 5¢.

Exchange of Official Publications: Agreement between the United States of America and Guatemala—Effected by exchange of notes signed at Guatemala March 23 and April 13, 1944; effective March 23, 1944. Executive Agreement Series 412. Publication 2209. 15 pp. 5¢.

Diplomatic List, November 1944. Publication 2211. ii, 123 pp. Subscription, \$2 a year; single copy, 20¢.

### OTHER GOVERNMENT AGENCIES

Dumbarton Oaks: Proposals for the Establishment of a General International Organization. 78th Cong., 2d sess., S.Doc. 245. 22 pp.

The articles listed below will be found in the November 25 issue of the Department of Commerce publication entitled *Foreign Commerce Weekly*, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Organic Chemical Trade in Present Day Mexico", based on a report from Herbert N. Higgins, senior economic

analyst, and Robert W. Wagner, economic analyst, American Embassy, Mexico, D.F.

"National Income of Palestine in 1943", by Malcolm P. Hooper, consul, American Consulate General, Jerusalem.

"Spain Develops New Type of Railway Train", by William L. Smyser, vice consul, American Embassy, Madrid.

## THE FOREIGN SERVICE

### Diplomatic and Consular Offices

The American Embassy at Athens was opened to the public on November 15, 1944.

The American Consulate at Cherbourg was re-established on November 10, 1944.

The American Consulate General at Antwerp was opened to the public on November 17, 1944.

The American Consulate at Nice was reestablished on November 20, 1944.

## THE DEPARTMENT

### Appointment of Officers

[Released to the press November 25]

Col. J. Noel Macy, formerly chief of the News Division of the Army Bureau of Public Relations, has been appointed Assistant Chief in charge of media of the International Information Division, Department of State.

Colonel Macy is president of Westchester County Publishers, Inc., which operates a group of newspapers, and is also co-owner of radio station WFAS. His other experience in the publishing field includes the presidency of the New York State Publishers Association and membership on the board of the Audit Bureau of Circulations and the board of *Parents Magazine* and *Survey*.

He has been with the Army since January 27, 1941, entering as a captain in the 101st Cavalry (Squadron A, New York).

The International Information Division is responsible for "The Department of State's interest and participation in dissemination overseas of information through the media of films, radio and certain publications".

<sup>1</sup> Executive Agreement Series 318.

## Additional Responsibilities of Special War Problems Division<sup>1</sup>

*Purpose.* This order is issued to amplify the functions of the Special War Problems Division, Office of Controls.

1 *Assignment of additional responsibilities.* In addition to similar duties, the Special War Problems Division shall have responsibility for the coordination of policy and action in respect to all questions arising from the use, possible use, or allegation of use of asphyxiating, poisonous, or other similar gases, or of bacteriological methods of warfare.

2 *Relations with other divisions.* In carrying out this responsibility, the Special War Problems Division shall work in close collaboration and consultation with the geographic divisions, the Office of the Legal Adviser, and other interested divisions of the Department.

3 *Previous orders amended.* This order amends pages 8 and 9, paragraph 3, of Departmental Order 1218 of January 15, 1944, concerning the functions of the Special War Problems Division.<sup>2</sup>

E. R. STETTINIUS, JR.  
*Acting Secretary*

## Priority Travel of American Private Citizens<sup>3</sup>

*Purpose.* Executive Order 9492, October 24, 1944,<sup>4</sup> authorized the Secretary of War and the Secretary of the Navy to permit transportation of non-military and non-naval passengers and cargo on Army Air transports and Navy Air transports operating over foreign routes provided: "(a) That the transportation is certified by the War Department or the Navy Department as being in the national interest because it will contribute directly or indirectly to the war effort,

or by the State Department, or the War or Navy Department acting for the State Department, as being in the national interest because it will similarly contribute (i) to relief or rehabilitation activities in areas affected by the war, or (ii) to the resumption of economic or other activities, disrupted by the war, that are necessary for the prompt reestablishment of peacetime conditions." It is the purpose of this Departmental Order to allocate responsibility within the Department of State for carrying out the Department's responsibility in connection with this Executive Order.

1 *Location of responsibility for carrying out Executive Order 9492.* In accordance with Departmental Order 1286, September 18, 1944, creating the Transportation Service Branch of the Division of Foreign Service Administration, responsibility for carrying out the Department's responsibility in connection with Executive Order 9492 is hereby lodged in the Transportation Service Branch. The Transportation Service Branch shall be responsible for the procurement of priorities for: (a) the travel of American private citizens travelling in the war effort, under the procedure now in effect; and (b) certification of priority travel of American private citizens travelling in the national interest, as provided by Executive Order 9492, in conformity with such regulations as may be issued by the War and Navy Departments under the provisions of the Executive Order.

2 *Relations with other divisions and agencies.* In carrying out this responsibility, the Transportation Service Branch shall, as in the past, ascertain and coordinate the advice of other Divisions of the Department and of other Federal agencies pertinent to a determination to grant or refuse priority requests. In particular, close liaison shall be maintained with the Office of Economic Affairs and the Office of Wartime Economic Affairs in ascertaining pertinent information regarding priorities for citizens in connection with relief or rehabilitation activities in areas affected by the war and necessary to prompt reestablishment of peacetime conditions.

E. R. STETTINIUS, JR.  
*Acting Secretary*

<sup>1</sup> Departmental Order 1296, dated and effective Nov. 8, 1944.

<sup>2</sup> BULLETIN of Jan. 15, 1944, p. 48.

<sup>3</sup> Departmental Order 1297, dated Nov. 9, 1944, effective Nov. 3, 1944.

<sup>4</sup> 9 *Federal Register* 12859.

## Representation Before Other Government Agencies on Requirements for Long-Range Economic Development Projects<sup>1</sup>

*Purpose.* The purpose of this order is to transfer responsibility for representation of the Department before the Foreign Economic Administration and the War Production Board in regard to requirements for long-range economic development projects.

<sup>1</sup> *Transfer of Certain Representation Responsibility.* By Departmental Order 1218, January 15, 1944, the Division of Financial and Monetary Affairs was given responsibility for the initiation and coordination of policy and action in all matters pertaining to requirements for long-range economic development projects. It now seems desirable to consolidate in one Division the function of representation of the Department before other Government agencies on requirements. Therefore, the responsibility of representation of the Department before the Foreign Economic Administration, the War Production Board, and other

<sup>1</sup> Departmental Order 1299, dated and effective Nov. 15, 1944.

Government agencies, of requirements for long-range economic development projects is hereby transferred from the Division of Financial and Monetary Affairs, Office of Economic Affairs, to the Division of War Supply and Resources, Office of Wartime Economic Affairs.

<sup>2</sup> *Departmental Orders Amended.* Departmental Order 1218, January 15, 1944, p. 18, and Departmental Order 1293 of October 16, 1944, are accordingly amended.

E. R. STETTINIUS, JR.

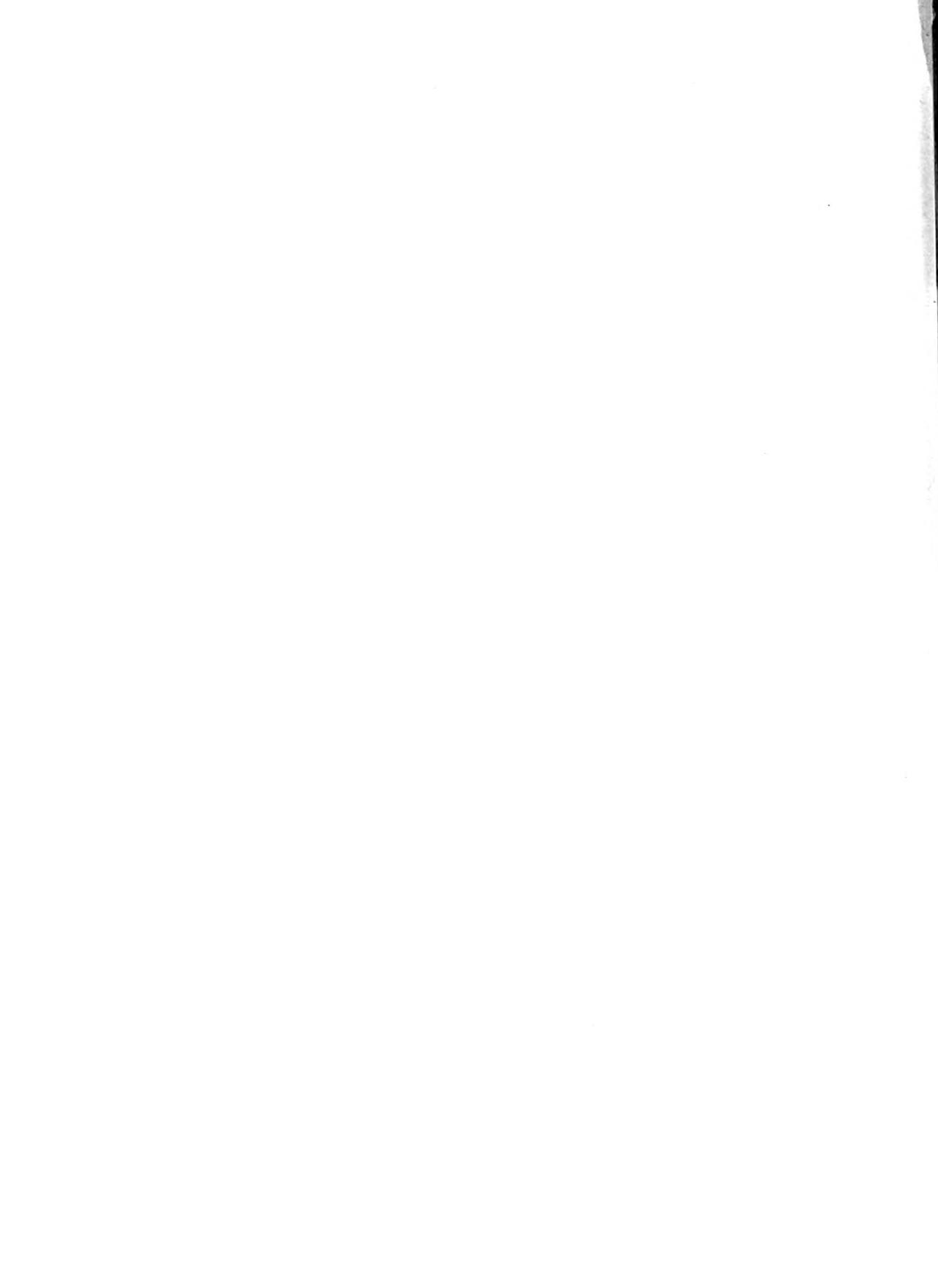
*Acting Secretary*

## LEGISLATION

Supplemental Estimates of Appropriations for the Department of State: Communication from the President of the United States transmitting supplemental estimates of appropriations for the fiscal year 1945, amounting to \$3,172,087.97, for the Department of State. 78th Cong., 2d sess., H. Doc. 777. 3 pp.

Amending the Nationality Act of 1940. 78th Cong., 2d sess., H.Rept. 1921. 4 pp.

Relating to the Imposition of Certain Penalties and the Payment of Detention Expenses Incident to the Bringing of Certain Aliens Into the United States. 78th Cong., 2d sess., H.Rept. 1920. 7 pp.



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# THE DEPARTMENT OF STATE BULLETIN

VOL. XI, NO. 284

DECEMBER 3, 1944

## *In this issue*

RESIGNATION OF CORDELL HULL AS SECRETARY OF STATE

APPOINTMENT OF EDWARD R. STETTINIUS, JR., AS SECRETARY OF STATE

POST-WAR INTERNATIONAL ECONOMIC PROBLEMS  
*Statement by Assistant Secretary Acheson*

THE EXPORT-IMPORT BANK OF WASHINGTON: THE FIRST TEN YEARS. *Article by Eleanor Lansing Dulles*



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*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

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# Resignation of Cordell Hull as Secretary of State

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[Released to the press by the White House November 27]

The text of Mr. Hull's letter of resignation to the President follows:

NOVEMBER 21, 1944.

MY DEAR MR. PRESIDENT:

It is with inexpressible disappointment that I find it necessary, for considerations of health, to retire from public service. I, therefore, with utmost regret, tender herewith my resignation as Secretary of State.

It is a matter of special satisfaction to me that throughout my almost twelve years at the Department of State, our personal relations have been uniformly and invariably agreeable and that, by our joint efforts, many difficult tasks growing out of the foreign relations of this country before and during this war have been brought to partial or full completion; many great questions have been faced successfully; and many forward movements of surpassing importance to friendly relations among nations have been instituted.

As the war draws to a close there remains a vast area of complex and difficult conditions and problems which must be dealt with in the months and years immediately ahead. It is a supreme tragedy to me personally that I am unable to continue making my full contribution to such great international undertakings as the creation of the post-war peace organization, the solution of the many other problems involved in the promotion of international cooperation, and the final development of a full and complete structure of a world order under law.

When I recover my strength, I shall individually be always at your service in every possible way.

Sincerely yours,

CORDELL HULL

The President's reply to Mr. Hull follows:

NOVEMBER 21, 1944.

MY DEAR CORDELL:

Your letter of this afternoon has hit me between wind and water. It has been very sad for me even to contemplate the ending of our close relationship during all these twelve years. It is not merely that our personal relations have been so uniformly and invariably agreeable, or that our joint work has borne true success in so many fields, as it is the personal feeling of not being able to lean on you for aid and intimate interchange of thought.

This is especially true because we have come so far along the road of friendly relations among nations that I have counted so much on your help in carrying this work through the final stage of complex and difficult conditions which still face us.

Your health is honestly my first thought, and I am really confident that you will be on your feet again in a relatively short time, even though you are limited to special tasks and avoid the daily routine of Department work. As of today, therefore, you must devote all your thought to getting back on your feet and on this all your friends will join in helping.

I will, of course, accept your resignation as Secretary of State if you want me to do so. But I wish you would, as an alternative, allow me to accept it as of January twentieth, which is the end of our Third Term. Perhaps sentiment enters into this suggestion a little bit, but it would give me great satisfaction if we should round out the three terms. That means two months more, and during that time I could see you from time to time and get your advice on some of the things that will come before us.

Incidentally, when the organization of the United Nations is set up, I shall continue to pray

that you as the Father of the United Nations may preside over its first session. That has nothing to do with whether you are Secretary of State or not at the time, but should go to you as the one person in all the world who has done the most to make this great plan for peace an effective fact. In so many different ways you have contributed to friendly relations among nations that even though you may not remain in a position of executive administration, you will continue to help the world with your moral guidance.

With my affectionate regards,

As ever yours,

FRANKLIN D. ROOSEVELT

*Message From the Acting Minister of Foreign Affairs of Brazil*

[Released to the press November 29]

I regret profoundly your resignation, for reasons of health, from the office of Secretary of State which Your Excellency exercised during nearly twelve consecutive years with an elevation of spirit and sentiment that earned for you the unanimous respect of the civilized world. The Brazilian Government will never forget the great moral figure of the sincere friend whose cooperation never failed during these difficult war years. Accept with my hopes for your prompt recovery the assurances of my cordial esteem and high consideration.

PEDRO LEÃO VELLOSO

*Reply of the Secretary of State to the Acting Minister of Foreign Affairs of Brazil*

[Released to the press November 29]

I deeply appreciate your kind message of November 28 on the occasion of my resignation as Secretary of State of the United States. You may be assured that my sincere personal interest in the welfare of the government and people of Brazil will continue undiminished and I shall always consider it a privilege to be of service to Your Excellency.

CORDELL HULL

<sup>1</sup> His Excellency Joaquín Fernández.

<sup>2</sup> The Right Honorable Anthony Eden.

*Message From the Representative of the French Provisional Government in Washington*

[Released to the press November 28]

At this time, when Your Excellency is leaving the high function you have so brilliantly fulfilled for twelve years, allow me to express to you my profound regret at your departure and my feelings of personal gratitude for the kindness you have shown me in the performance of my duties.

The eminent service that you have rendered the common cause of the democracies, the essential part you have taken in the building of international security through the cooperation of all free peoples, will never fade in the memory of man, and France, for whom you have so often expressed such profound feelings of friendship, will always remember you.

Please accept my most sincere wishes for your prompt recovery and allow me to assure you, my dear Mr. Hull, of my highest consideration.

HENRI HOPPENOT

*Message From Prime Minister Churchill*

[Released to the press November 28]

On relinquishing your office I want to assure you of my admiration for your long service in such exacting times. I hope you may soon be restored to health and able once more to bring to our counsels the great weight of your experience and wisdom in international affairs.

*Message From the Foreign Minister of Chile*<sup>1</sup>

[Released to the press November 29]

On Your Excellency's relinquishing because of health the high functions which you discharged with such brilliance and success, I beg you to receive my warmest best wishes and fervent hopes for your quick recovery.

*Message From the Secretary of State for Foreign Affairs of Great Britain*<sup>2</sup>

[Released to the press November 29]

I learned with most profound regret of your resignation, realizing keenly how staunch and wise a friend we are losing from the Department

of State over which you have presided so many testing years. To me personally your kindness and help in Washington and then in Moscow will be an abiding memory of which I shall always be proud.

I wish you an early and complete recovery and rejoice that your voice will still be heard in your country's councils on those great matters in which you have played so preponderant and inspiring a part.

*Message From the Prime Minister of New Zealand<sup>1</sup>*

[Released to the press December 2]

I have heard the news of your resignation because of ill-health with the deepest regret. The New Zealand Government and people have always had the greatest possible respect for your high integrity and the sureness and shrewdness of your outlook, nor will they forget your unflinching regard for the rights and dignity of the smaller powers. My colleagues and I wish you well in your retirement and hope an easing of your heavy burdens and responsibility will restore you to complete health. Warmest personal regards.

*Message From the Minister of Foreign Affairs of Venezuela*

[Released to the press December 2]

The notice of your resignation as Secretary of State, which Your Excellency has just presented, has caused sincere sorrow to the Government and people of Venezuela who know and appreciate keenly the constant evidences of friendship which you gave to this country and your felicitous efforts to strengthen the relations between the United States and Venezuela. During long years Your Excellency worked tirelessly on behalf of the Pan American ideal and the principles of democracy and liberty in the world, confirming thereby the high character of the foreign policy of your great nation. Those who like myself have had the privilege of collaborating with Your Excellency and of enjoying your friendship, evoke

always with veneration and as encouragement to their own efforts the name of one of the most notable men in public life in the United States.

Permit me, Your Excellency, to express the most fervent wishes for the recovery of your health and to express my gratitude for the personal kindness which you have not ceased to show.

I remain [etc.]

C. PARRA PEREZ

*Reply of Mr. Hull to the Minister of Foreign Affairs of Venezuela*

[Released to the press December 2]

I acknowledge with deep appreciation your very friendly and thoughtful message of November 29, 1944, regarding my resignation. In conveying my thanks to you and to the Government and people of Venezuela, I should like to express my gratitude for the cooperation and personal friendship which Your Excellency has always extended to me.

CORDELL HULL

*Message From the People's Commissar for Foreign Affairs of the Soviet Union<sup>2</sup>*

[Released to the press December 2]

Highly valuing your friendliness and the persistence which you have shown in the course of the development of relations between our countries, I learned with profound regret that the condition of your health does not permit you to continue duties as Secretary of State. Personal contact with you in Washington and during the memorable Moscow Conference left me with a feeling of deep satisfaction.

I wish you good health and hope that your knowledge and experience will continue to serve the cause of collaboration between the United States and the Soviet Union as well as between other United Nations for the achievement and cementing of our common victory.

Joseph V. Stalin sends you his regards and wishes of good health.

<sup>1</sup> The Right Honorable Peter Fraser.

<sup>2</sup> V. M. Molotov.

# Appointment of Edward R. Stettinius, Jr.,<sup>1</sup> as Secretary of State

EXCHANGE OF LETTERS BETWEEN CORDELL HULL AND EDWARD R. STETTINIUS, JR.

[Released to the press November 28]

The text of a letter from the Secretary of State to the Acting Secretary of State follows:

NOVEMBER 28, 1944.

DEAR ED:

I want to send you this personal note to express my sincere felicitation upon your appointment as

<sup>1</sup>Edward Reilly Stettinius, Jr., industrialist and Government official, was born in Chicago, Illinois, Oct. 22, 1900. He is the son of Edward Reilly and Judith (Carrington) Stettinius. His paternal great-grandfather, Samuel Endredy Stettinius, came to America from Stettin, Germany, in the 18th century and settled in what is now the District of Columbia. His grandfather, Joseph Stettinius, was a merchant in Paducah, Kentucky, and St. Louis, Missouri. His father was, in the course of his career, President of the Diamond Match Company, a partner in the banking house of J. P. Morgan & Company, and, during the first World War, Assistant Secretary of War, in charge of Munitions. Edward R. Stettinius, Jr., prepared for college at the Pomfret School in Connecticut and from 1919 to 1924 he attended the University of Virginia. While at the University he became president of his class and of the Y. M. C. A.; he was a member of several student societies and head of the student honor system and conducted a student employment bureau. After a tour of Europe with a college classmate in the summer of 1924 he entered the employ of the Hyatt Roller Bearing division of the General Motors Corporation. Starting as a stockroom clerk, he was later placed in charge of the employment office and became employment manager. In 1926 he was made assistant to John Lee Pratt, vice president of General Motors Corporation. In 1930 he became assistant to Alfred P. Sloan, Jr., president of the General Motors Corporation and in the following year was elected vice president of the Corporation, having charge of public and industrial relations. In 1932 Mr. Stettinius was in active charge of the share-the-work movement in the second Federal Reserve district, and in 1933 he was in Washington as liaison officer between the Industrial Advisory Board of the NRA and the NRA organization. Resigning from the General Motors Corporation in 1934, he became vice chairman of the Finance Committee of the United States Steel Corporation, assuming his duties on Apr. 1, 1934. In the fall of the same year he was again called to Washington to act as special adviser to the Industrial Advisory Board, remaining there until the following December. On Jan. 1, 1936 he was

Secretary of State. This is a highly merited tribute to you on the part of the President for your outstanding record of public service. I am very happy indeed at this signal recognition of your splendid qualifications and demonstrated capacity for leadership.

At the same time I wish to convey to you my warmest thanks for the loyal and steadfast sup-

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named chairman of the Finance Committee of the United States Steel Corporation and became a member of the Board of Directors. In April 1938 he succeeded Myron C. Taylor as chairman of the Board of the Corporation. He continued as a member of the Finance Committee. In 1939 he was again called temporarily into the public service as chairman of the War Resources Board. The President in May 1940 appointed the Advisory Commission to the Council of National Defense and selected Mr. Stettinius as one of its members, placing him in charge of industrial materials. As a result of this appointment he resigned the chairmanship of the United States Steel Corporation and severed his other business connections and disposed of securities over which he had direct control to serve the Government without remuneration. In January 1941, on the establishment of the Office of Production Management, Mr. Stettinius became Director of Priorities.

He served as Director of Priorities until September 1941, when Mr. Roosevelt appointed him Special Assistant to the President and Lend-Lease Administrator. In September 1943 Mr. Stettinius was appointed Under Secretary of State.

Mr. Stettinius is an alumni trustee of the University of Virginia and a member of the Board of Visitors of the University of Virginia; a trustee of the Roosevelt Hospital, the Community Service Club of New York, the Massachusetts Institute of Technology, the Brookings Institution, and the National Foundation for Infantile Paralysis; a member of the Central Committee of the American Red Cross; a director of the Church Society for College Work; a member of Delta Psi and the Union Club (New York City); holds an honorary LL. D. from Union College, Colgate University, New York University, Rutgers University, and Stevens Institute of Technology. He was married in Richmond, Virginia, May 15, 1926, to Virginia Gordon Wallace, daughter of the late William Jefferson Wallace and Hallie Cooke Wallace, and they have three children: Edward Reilly, III, Wallace, and Joseph Stettinius.

port you invariably gave me while you served as Under Secretary of State. Your work was of the very highest order, and our relationships, both personal and official, were always characterized by a spirit of splendid harmony and teamwork. I shall always cherish the association I was privileged to have with you.

When I am restored to health I shall stand ever ready to be of such assistance to you as lies in my power.

With all good wishes for every success in the discharge of the duties and responsibilities of your high office at this critical time, I remain,

Sincerely yours,

CORDELL HULL

[Released to the press December 1]

The reply by the Secretary of State to Mr. Hull follows:

DEAR MR. HULL,

I wish to thank you from the bottom of my heart for your generous note of November 28 upon my appointment as Secretary.

In accepting the appointment I am fully conscious of the very great responsibilities of the office which you have filled with such high honor

### Confirmation

On November 30, 1944 the Senate confirmed the nomination of Edward R. Stettinius, Jr., as Secretary of State.

to yourself and benefit to our country and the world during the past twelve years. I shall be strengthened for the task ahead by the knowledge that I have your confidence and support.

Never before in my life have I had an association which has meant more to me. It has been a great honor and privilege to have served under your inspiring leadership and I shall always be grateful for the counsel and friendship which you have so generously given to me.

I am looking forward to the day when your health will be restored and it will be possible for me again to have the benefit of your wise advice and judgment.

With every hope that you will have a speedy recovery and with assurance of my respect and esteem,

Faithfully, your friend,

Ed

### CEREMONY ON THE OCCASION OF ADMINISTERING THE OATH OF OFFICE

[Released to the press December 1]

Mr. Stettinius made the following statement to the press and radio news correspondents at the Department of State at the time of taking the oath of office as Secretary of State:

"The friendly relationship which I have enjoyed with you here in the Department has been a source of pleasure to me, and as Secretary of State I look forward to continuing that relationship with you in the future. I know that you will feel free to take up with me at any time ways and means in which I or the Department can assist you in carrying out your very important duties here of informing the American people in regard to day-to-day developments in our foreign policy and our relations with foreign countries.

"I should like in these first words as Secretary of State to pay tribute to Cordell Hull, whom we all hold in a very special place of affection and high esteem.

"Cordell Hull stands out as a truly great statesman and humanitarian. He early saw and warned against the dangers from the forces of tyranny and aggression that confronted us. In our darkest hours he was steadfast in his faith in the objectives which he proclaimed. With vision and a sure hand he began under the President's direction the great task of building the foundations for a secure and lasting peace.

"I now take up the heavy responsibilities which Cordell Hull, unfortunately for all of us, has found it necessary to relinquish. I do so humbly and with a deep sense of dedication. I shall do my utmost to

carry out the high principles for which Mr. Hull has always stood in the conduct of our foreign policy. To build from the havoc of this war a peace that will endure is a task far beyond the strength and wisdom of any one man or group of men. It will require the active participation and support of all the American people—and of all the other peace-loving peoples of the world.

"In this task we must not fail. To this task I dedicate myself in the sure knowledge that together we will not fail."

[Released to the press December 11]

There follows a list of guests invited to attend the ceremony on the occasion of administering the oath of office to the Honorable Edward R. Stettinius, Jr., as Secretary of State:

Mrs. Cordell Hull	Mrs. W. C. Stettinius
Justice and Mrs. Jackson	Mr. Oscar Cox
Senator and Mrs. Byrd	Mr. and Mrs. John Lee Pratt
Gen. George Marshall	Mr. and Mrs. Utz
Mr. Harry Hopkins	Mrs. Frank Allen
Mrs. Edward R. Stettinius,	Mrs. John Marsh
Jr.	Mr. Wilder Foote
Edward R. Stettinius, III	Mrs. Hugh O'Donovan
Joseph Stettinius	Miss Betty Stettinius
Wallace Stettinius	Col. Frank McCarthy, Aide
Mrs. William J. Wallace	to General Marshall
Mr. and Mrs. Juan Trippe	

MEMBERS OF STAFF AND STATE DEPARTMENT OFFICIALS  
ATTENDING CEREMONY

Mr. Robert J. Lynch	Mrs. Emma L. Totten
Mr. Hayden Raynor	Mrs. Elizabeth Morrison
Mr. Hathaway Watson	Mr. George T. Summerlin
Mr. Horton Henry	Mr. H. Freeman Matthews
Miss Margaret Siewers	Mr. Carlton Savage
Mr. Lee Blanchard	Mr. Charles E. Bohlen
Mr. George Conn	Mrs. Blanche Rule Halla
Miss Mary McDonnell	Mr. Alger Hiss
Miss Catherine Gubisch	Mr. Samuel Boykin

LIST OF POLICY COMMITTEE MEMBERS ATTENDING CEREMONY

Mr. Dean Acheson	Mr. John G. Erhardt
Mr. G. Howland Shaw	Mr. Joseph C. Grew
Mr. Green H. Hackworth	Mr. Bernard F. Haley
Mr. Leo Pasvolsky	Mr. Wallace S. Murray
Mr. Michael J. McDermott	Mr. John C. Ross
Mr. Norman Armour	Mr. Charles P. Taft
Mr. John S. Dickey	Mr. Edwin C. Wilson
Mr. James Clement Dunn	Mr. Charles W. Yost

## Gift of Property From the Emperor of Ethiopia

[Released to the press November 29]

President Roosevelt has acknowledged with great appreciation the recent gift of property made to the United States Government by His Imperial Majesty Haile Selassie I, Emperor of Ethiopia. By the President's formal acceptance on behalf of this Government of this magnanimous gift absolute title to the realty and premises of the present headquarters of the American Legation in Addis Ababa, together with the furnishings and valuables thereof, is conveyed into the possession of the United States. This property will constitute a permanent home for the American Legation in Ethiopia.

The estate consists of approximately 10 acres together with a fine furnished residence, formerly the ancestral property of the royal family. An additional 10 acres have been generously provided to meet the expanding office and housing requirements of the American Legation staff. The location of this property is conveniently near the official buildings of the Ethiopian Government.

There follows a translation of the letter from the Emperor of Ethiopia which was addressed to President Roosevelt:

THE IMPERIAL PALACE,  
Addis Ababa, 24th August, 1944.

GREAT AND GOOD FRIEND:

It gives us great pleasure to give over to you as Chief of the great and friendly Power, the United States of America, in fee absolute and in full and complete title and possession, the realty and premises, together with all appurtenances thereto and furnishings and moveables located thereon, on which is situated at Addis Ababa the Legation of the United States of America, together with certain additional realty specified in an attached document and deemed to be necessary and proper in order to provide an appropriate residence for the diplomatic representative of a Power so highly esteemed as is the Nation of which you are the Chief.

In giving over this property, it is Our pleasure to be giving personally to you and through you to the American Nation, ancestral property of the Royal Family. May the measure of Our particu-

lar attachment to it serve to indicate in a small way, the measure of Our attachment and the attachment of Our people, to that great Power which has ever stood by Us and Our Nation in the hour of need, and to its esteemed Chief, the President of the United States of America.

Your good Friend,

HAILE SELASSIE I. K. of K.

The text of the reply made by President Roosevelt in response to the above message follows:

NOVEMBER 28, 1944.

GREAT AND GOOD FRIEND:

I have received with very great appreciation your generous letter of August 24, 1944, in which Your Majesty has graciously conveyed to the United States of America absolute title and possession of property situated in Addis Ababa, together with all appurtenances, furnishings, and valuables located thereon, and certain additional realty deemed to be necessary and appropriate to the representation of the United States in Ethiopia.

In the name of the United States I accept these gifts in the same cordial spirit of friendship in which they have been offered, and I welcome this added testimonial of the attachment that so happily binds our two peoples together in bonds of permanent understanding and mutual respect.

Your Good Friend,

FRANKLIN D. ROOSEVELT

## United Maritime Executive Board Session

Beginning on November 20 and continuing through November 24, 1944, the first session of the United Maritime Executive Board was held in Washington under the chairmanship of Vice Admiral E. S. Land, War Shipping Administrator. This Board was established by agreement among members of the United Nations as a result of a conference held in London in July and August of this year; it will be responsible for coordination of United Nations shipping for a certain period after hostilities cease with Germany or Japan, whichever is the later.

The contracting governments participating in the session as members of the Board were repre-

sented by Vice Admiral Land, United States; Sir Cyril Hurcomb, United Kingdom; Mr. A. B. Speekenbrink, Netherlands; and Mr. Peter Simonsen, Norway. The associate members of the Board were represented by Mr. H. R. Rueff, Belgium; Mr. A. L. W. MacCallum, Canada; His Excellency Cimon P. Diamantopoulos, Ambassador of Greece, Washington; and Mr. W. Domaniewski, Poland.

During the course of its meetings the Executive Board approved and adopted the report of the Planning Committee, which was completed in London during the month of October. The Board also dealt with a number of practical matters which will arise when the United Maritime Authority commences to operate at the time of the defeat of Germany.

The Planning Committee report, adopted by the Board, was based upon the establishment of two branches, one in London and one in Washington. In each of these branches there will be established certain committees corresponding to administrative structure of the Ministry of War Transport and the War Shipping Administration. These committees will be composed of representatives of the four nations comprising the Executive Board. Representatives of other contracting nations concerned will participate in matters relating to their own problems. In general the machinery adopted by the Board is based upon the existing machinery for the wartime control of shipping, with only such changes as appeared necessary to meet the altered situation which will exist at the time the United Maritime Authority comes into operation. The proposals contemplate the utilization of established shipping organizations such as liner conferences in carrying out the purposes of the United Maritime Authority.

Arrangements were made for certain of the standing committees proposed in the Planning Committee's report to be established in advance of the defeat of Germany, which it is expected will be prior to the defeat of Japan, in order that preparatory work may be carried out to ensure the smooth working of the machinery when required. Arrangements were also made for a further meeting of the Board early in 1945 in London and a full meeting of the United Maritime Council shortly after the cessation of hostilities with Germany, at which would be represented all nations then comprising the United Maritime Authority.

# Post-War International Economic Problems

STATEMENT BY ASSISTANT SECRETARY ACHESON<sup>1</sup>

[Released to the press November 30]

I much appreciate this opportunity to discuss with you some post-war international economic problems and to tell you the lines along which we have been working in the Department of State.

What we are all working for is peace abroad and liberty and prosperity at home. These go together. Without security few nations can follow courses which lead to high and rising standards of living. On the other hand, there can be little international security in a world in which the life of the people is unsatisfactory and insecure. This is recognized in the proposals of the Dumbarton Oaks conference, and we need to remember it in our consideration of economic problems.

The principal economic goal of this country—of workers, farmers, businessmen, and Government—is the maintenance of full employment and prosperity, free from excessive fluctuations, with steadily rising levels of income. If we could achieve this we should have made a colossal contribution to the solution of our own and the world's problems of security and prosperity. If our national income continues to move back and forth between \$60,000,000,000 and \$150,000,000,000 there is little prospect of success for any international economic program. There is unanimous agreement that the object of public policy and private endeavor must be to assure that the productive capacity of this country, which we have proved in time of war, shall continue to be maintained for the satisfaction of the needs of peace.

The maintenance of high levels of income and employment will result in part from the need of the rest of the world for the goods and services which this country can supply. The markets of the world have always absorbed a substantial part of our output. In addition, the devastation which has fallen on the war-torn areas has increased the need of those countries for the food, clothing, and machinery which this country can supply to them. Other parts of the world have had their produc-

tion suspended or diverted into emergency channels because they were unable to obtain many of the goods which they would have used in peacetime for industrial and agricultural development. They too will need many things.

To a limited extent, we shall make some of these goods available as relief for immediate distress arising out of the war. The Congress has already authorized the appropriation of \$1,350,000,000 as the contribution of this country to the work of the United Nations Relief and Rehabilitation Administration. This will meet only a very minor part of the needs of these countries. No one would propose that the bulk of the long-term needs of the world for American goods should be met by direct contributions. Other countries must, therefore, have the means of paying for the goods which they require from us, either in the form of goods and services sold to this country, or by the temporary deferment of payment through the extension of credits. Therefore we shall need to extend short-term credits to countries which are unable immediately to produce for export in amounts adequate to pay for their imports, and longer-term credits for many of the capital goods which those countries will need for reconstruction and for economic development.

This, however, is only part of the picture. To some extent the export opportunities to which I have just referred are of a non-recurring nature, and they would not by themselves operate to sustain a large market for American products over a long period of time. If we are to receive repayment for credits extended, and if we are to maintain the foreign markets which are required for a high level of employment and activity in this country, both we and other countries will have to re-examine and revise our past policies under which international trade was put in shackles and production was restricted or diverted into costly and uneconomic lines.

The difficulties and dangers of the post-war situation will be acute. There has been enormous destruction of plants and transport. Governments everywhere have taken detailed charge of economic affairs in order to prosecute the war effectively and

<sup>1</sup> Made on Nov. 30, 1944 before the Subcommittee on Foreign Trade and Shipping of the Special Committee of the House of Representatives on Post-War Economic Policy and Planning.

have learned the techniques of economic warfare. Many countries have had to dispose of their foreign assets and other sources of their earnings from abroad and will find it difficult or impossible to make payment abroad for the things that they must have. This country, like the rest, will be faced with problems of great magnitude and difficulty in the reconversion of industry and the readjustment of agricultural production. In these circumstances it would be easy for each nation to attempt to meet its immediate problems by reducing its imports, forcing its exports, and thus endeavor to throw upon others the burden of absorbing its potential unemployment. It would not only be easy to drift into these policies, but it would be inevitable, unless we plan together to expand prosperity in all countries.

Fortunately our own self-interest dictates that we should collaborate with other countries in this endeavor. In article VII of the mutual-aid agreement of February 23, 1942 with the United Kingdom, and in similar agreements with many of our other Allies, we have already jointly recognized our common need for the expansion of production and employment and the exchange and consumption of goods. The language of this article, as you will recall, reads as follows:

"In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom in return for aid furnished under the Act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To that end, they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in 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.

"At an early convenient date, conversations shall be begun between the two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other like-minded Governments."<sup>1</sup>

In carrying into action the common agreement expressed in article VII the United States has both a great opportunity and a great responsibility. Because of our preponderant economic and financial strength we are in a position to assume leadership in the promotion of the necessary international economic policies, and we have an obligation to do so. Many other countries will feel that they cannot venture to commit themselves to the kind of international economic policy envisaged in article VII unless they can be reasonably certain that the United States can be counted on to give these principles full support. They look for some assurance that this country will stand ready through the processes of trade and investment to make available to them goods that they will need; that we will maintain a high level of prosperity in this country and reduce our own obstacles to trade, so that they may have prospects of making repayment for the goods we sell to them. If we give this assurance and join with them in the maintenance of stability in the foreign exchanges, essential to both investment and trade, then there is every prospect that they will be willing to join with us in these measures upon which depend the prospects of an increasing and stable prosperity throughout the world.

#### FOREIGN INVESTMENT: THE FINANCING OF RECONSTRUCTION AND ECONOMIC DEVELOPMENT

As I have already indicated, our own problems of reconversion will be diminished and reconstruction and further economic development of the rest of the world will be hastened if our capacity for producing capital goods can be utilized to satisfy the needs of other areas. In large part this is a problem of opening the channels of international capital movements and reviving the flow of foreign investment. The market for capital equipment has always depended on long-term credit. The need for this credit will be greater than ever because of the devastation of war.

<sup>1</sup> Executive Agreement Series 241.

The wise investment of United States capital abroad benefits the United States and the world at large. It provides an immediate market for United States products and, by developing foreign countries, increases the purchasing power of the peoples of those countries for foreign products including those of the United States. It contributes directly to economic expansion, to full employment, and to high levels of national income both here and abroad.

The international flow of long-term capital has been disrupted for years, by war, political uncertainty, and past excesses and abuses. It is unlikely that large sums of money will be invested abroad unless constructive action is taken. This means action to make private investment possible, and action to fill in the gaps by governmental assistance when private investment, at reasonable rates, is not forthcoming.

One such step was taken by the conference at Bretton Woods, at which plans for the International Bank for Reconstruction and Development were worked out and an agreement drawn up which is now before the United Nations for their consideration.<sup>1</sup>

Private foreign lending must be on a basis which protects the interests of both investors and recipients of the capital if it is to revive and serve its purpose. The Bank is designed to promote this condition, in part by making direct loans itself, but mainly by guaranteeing loans, placed through regular private investment channels, which meet certain standards approved by the Bank. Such loans would need to be scrutinized both from the standpoint of their investment soundness and their broad economic aspects. Loans would not be guaranteed if they imposed onerous or unreasonable conditions upon the borrower, or if the Bank considered them undesirable from the standpoint of the investor.

The Bank would eliminate certain risks and spread widely those risks which could not be avoided, and it would do this in ways which supplement and support, rather than compete with, private investment. The risks, under the agreement, would be spread internationally among the member countries.

<sup>1</sup> *United Nations Monetary and Financial Conference*. Department of State publication 2187. See also BULLETIN of Nov. 5, 1944, p. 539.

The Bank would greatly help in regularizing the flow of investment, in reducing wide fluctuations therein, and in raising the levels of economic activity in the nations of the world.

A second step is the supplementation of the resources of the Export-Import Bank, which, since 1934, has assisted in financing the export of agricultural products, industrial machinery, and other capital goods by underwriting short-term credits and making long-term loans for construction and development projects. It has operated principally in collaboration with and through private American banks, manufacturers, exporters, and engineering firms. The present funds of the Bank are very small in relation to the extensive needs, and they are, to a large extent, already utilized. The Bank now has available for new operations only about 200 million dollars.

The Export-Import Bank has proved a most useful instrument by which this Government could aid in counteracting the economic dislocations arising out of the war. It is now being asked to make loans for the reconstruction of devastated plants and transport systems, for restocking, and for the rebuilding of trade. The needed expansion of its activities would not be in competition with, but as a supplement to, those of the International Bank for Reconstruction and Development. It can, moreover, continue to be useful in financing medium and short-term United States foreign trade, and in other operations not directly within the province of the International Bank. The Export-Import Bank, finally, is a going institution with 10 years of experience and can be of special assistance in meeting immediate and urgent needs pending the establishment of the International Bank, which will necessarily require time.

The United States Government has before it at present requests for loans from several foreign governments. The Export-Import Bank is the logical agency through which to extend whatever financial aid this Government proposes to extend directly to other countries in the transitional and post-war period. If the Bank is to make some of these loans, however, it needs to be relieved of the ban on loans to governments which are in default to this Government.

It would be equally desirable to remove the ban imposed by the Johnson act on private lending to governments in default to this Government. That

act, as well as the provisions of the Export-Import Bank statute just referred to, was directed at governments in default on debts arising out of the first World War. Conditions have changed greatly since this act was adopted, but it still stands in the way of extension of urgently needed loans to the principal European governments and is therefore a barrier to American participation in the rehabilitation of international trade. The unavailability of private capital, due to the act, increases the need for government loans for reconstruction and other purposes.

### FOREIGN EXCHANGE STABILITY

A second broad field in which national action and international collaboration are requisite, both for the restoration of long-term investment and of current foreign trade, is the assurance of orderly relations and stability in the foreign exchanges. Foreign investment and financial transactions that are spread over a period of time require reliable currency units and the assurance that interest and principal can be converted into the lender's own currency as they fall due. Exporters are not inclined to export unless there is reasonable assurance that they will get paid in money of definite value which can readily be transferred into their own currency. If trade does not move because of faulty currency and exchange conditions, production is slowed down or hindered, and workers are unemployed. We need to be sure therefore that we have a foreign-exchange mechanism adequate to carry the load imposed on it by the world's investment and trade requirements.

An exchange rate by its nature concerns more than one country. Orderly and satisfactory international financial relationships are impossible unless nations have some understanding in this field and work together toward common ends. Machinery for such cooperation would be provided by the International Monetary Fund, the proposed agreement for which was drawn up at the United Nations Monetary and Financial Conference held at Bretton Woods last July.

This plan represents the joint efforts of the technical experts of 44 nations to define the "rules of the game" in the field of currency and exchange. It is the outcome of discussions between these experts over an extended period.

The Fund is designed to provide machinery for making the currencies of its members as freely

interconvertible as possible. Such interconvertibility would be at established rates, and would make possible the conduct of foreign trade and other financial transactions with a minimum of risk and difficulty arising from the existence of different currency systems. The plan proposes a system wherein traders would be able to buy or sell in any market of the world, wherever this can be done to the greatest advantage. It discourages arrangements whereby trade is artificially restricted or channeled here or there, but instead aims toward the establishment of a broad multilateral trading system wherein trade can expand and its full benefits be realized.

Other countries are waiting to see what action the United States will take with respect to this proposal, the formulation of which has been sponsored to a large extent by this Government. Our action will be considered as an indication of whether the United States is going to participate in a cooperative approach to international economic questions in the post-war period.

I should like to emphasize that the accomplishments of the Bretton Woods conference, if approved by the United States, will have carried us much further than is commonly recognized toward the accomplishments of the objectives which we all share as set forth in article VII of the mutual-aid agreements. The proposed articles of agreement for the Fund and the Bank are not merely financial documents. Together they would establish two institutions which can go very far indeed toward restoring the conditions under which an orderly international trade can again be established. In providing for the interconvertibility of currencies, for the ready availability of any country's currency, for the earliest possible elimination of exchange controls and instruments of economic warfare, and in numerous other ways, these instruments would of themselves accomplish a reduction in many of the restrictions on trade and would eliminate the use of some of the most flagrant devices for discriminating against the trade of the United States by other countries.

### RESTORING AND ENLARGING TRADE

#### *Commercial Policy*

The measures which I have discussed so far are largely in the nature of facilitating devices affording assurance that trade will not languish because of exchange instability or because of the absence of means of covering temporary gaps in the inter-

national balance of payments. More than financial measures alone are needed, however, if we are to realize over the long pull the potential benefits of an expanding world economy. The pre-war network of trade barriers and trade discriminations, if allowed to come back into operation after this war, would greatly restrict the opportunities to revive and expand international trade. Most of these barriers and discriminations are the result of government action. Action by governments, working together to reduce these barriers and to eliminate these discriminations, is needed to pave the way for the increase in trade after the war which we must have if we are to attain our goal of full employment.

In order to achieve this, we need to continue and to extend the efforts that we have made, through the reciprocal-trade-agreements program, to encourage an expansion of private foreign trade on a non-discriminatory basis. As a preliminary step, the special wartime controls of trade should be demobilized as rapidly as the wartime shortages, which gave rise to those controls, disappear. With respect to long-run adjustment of the pre-war network of trade barriers and discriminations, we are presented with a unique opportunity for constructive action in cooperation with other countries. Conversion from war to peace must occur in every country. The direction of that reconversion, the kinds of investments which businessmen will make, will depend in major part on the foreseeable regime of public regulation of production and trade. We therefore propose to seek an early understanding with the leading trading nations, indeed with as many nations as possible, for the effective and substantial reduction of all kinds of barriers to trade. The objectives of such an endeavor would be:

To eliminate all forms of discriminatory treatment in international commerce;

To make exchange restrictions on commercial transactions unnecessary, and to enable the financial arrangements proposed at Bretton Woods to have their full effect;

To achieve the progressive elimination of quotas, embargoes, and prohibitions against exports and imports;

To reduce import tariffs;

To lay down fair rules of trade, with reference to government monopolies and state trading, including trade between countries where private en-

terprise prevails and those where foreign trade is managed by the state;

To create an international-trade organization to study international-trade problems and to recommend practical solutions.

We propose, in other words, that this Government go on with the work which it has been doing during the last 10 years, even more vigorously, with more countries, and in a more fundamental and substantial way. The contribution of the United States to such a major effort for the reduction of trade barriers would obviously have to be in large part in the field of reduction in our tariff, since in peacetime the tariff is the principal measure that we have employed for restricting imports. It is our purpose in the Department of State to press forward as firmly as we can in the general direction I have outlined, consulting fully with the appropriate committees of the Congress. If exploratory discussions with representatives of other governments give encouragement to our efforts, a trade conference of the United and Associated Nations should be held at the earliest practicable date for the negotiation of an agreement for the reduction of all kinds of barriers to trade. This agreement would of course be submitted to the Congress for its consideration.

#### *Private Trade Restrictions*

Obviously our efforts to mitigate restrictions on production and trade will not be wholly effective if we permit business enterprises by agreement among themselves to impose restrictions on output, to divide markets, and to maintain prices. For this reason, a rounded international economic policy must take cognizance not only of governmentally imposed restrictions but also of the restrictive practices of international business agreements and of private combines.

In the time available, I shall not be able to discuss in any detail the nature of the so-called "cartel problem" and its relations to the other aspects of commercial policy. These have been the subject of investigation by several congressional committees in recent years, however, and their findings and reports are of course available to you.

Among the problems of public policy which international cartel arrangements present is the central question of the relation of private restrictions on production and trade to our objective of the maximum material well-being of the people of this and other countries in an expanding world

economy. By making commodities less plentiful and higher priced than they would otherwise be, such activities obviously reduce standards of living and opportunities for employment. By suppressing competition and in some cases by limiting research and access to new technology on reasonable terms, they tend to retard industrial efficiency and to limit employment and income. In addition they diminish or remove some of the economic incentives for the transfer of productive resources out of relatively inefficient uses and substitute the will of private interests for the decisions of the public in many aspects of commercial policy.

The letter of the President to the Secretary of State of September 6, 1944 sets forth succinctly the general framework within which the executive agencies of this Government are studying this question. In his letter the President points out that the American tradition in opposition to private monopolies "goes hand in glove with the liberal principles of international trade. . . . Cartel practices which restrict the free flow of goods in foreign commerce will have to be curbed. With international trade involved this end can be achieved only through collaborative action by the United Nations."<sup>1</sup>

Under that mandate the executive agencies of the Government are attempting to determine the most fruitful means of reaching international agreement for the curbing of private restrictions on international commerce.

#### *Commodity Agreements*

Some commodities entering into international trade, particularly some foodstuffs and raw materials produced by many thousands of small individual producers, are particularly susceptible to extreme fluctuations in prices and to maladjustments in the scale and character of production. Even before the war there were a number of commodities which were in chronic surplus; the normal market-price mechanisms were not sufficient to achieve natural readjustments. The war, of course, has greatly accentuated existing maladjustments and has created many new maladjustments in commodities. For example, the United Nations, shut off from their normal sources of supply of many items, have greatly expanded their own output of those products that formerly were obtained from enemy or enemy-occupied territories. When the war ends and old sources of sup-

ply are reopened there may be tremendous surpluses of these commodities. Another type of surplus is likely to arise where production has been expanded many times over to meet a war demand that is much heavier than normal peacetime requirements. Here, too, serious surpluses may result.

The problem presented by such potential surpluses is two-fold. First, by creating chronic depression among producers they reduce the purchasing power of these groups and in some cases of entire countries. This in turn undermines efforts to maintain full employment and rising levels of income in all countries. Second, the governments frequently attempt to buttress the position of the producers of such surplus commodities by various unilateral policies of price support and by the reservation of domestic and colonial markets for their own producers. The aggregate effect of these efforts is often to demoralize the world market and precipitate international trade warfare. In some cases these disordered conditions may foster the growth of producers' arrangements which seek to impose an artificially contrived scarcity upon the world market.

International action for dealing with such problems in the past, chiefly in the form of commodity agreements, has been deficient in that it was chiefly directed toward the artificial restriction of output and bolstering of prices without removing the fundamental causes of the disequilibrium. Such commodity arrangements have not, for example, typically provided any incentive for the transfer of excess capacity and productive resources into other uses. If international commodity arrangements can be coupled with appropriate machinery designed to facilitate these basic adjustments, commodity agreements may, in specific cases, serve a useful function in assisting such adjustments to be made and in easing the otherwise distressed position of the producers during the transitional period.

It will be desirable, consequently, to seek agreement between governments that all international commodity arrangements of this type should be based upon an acceptance of certain fundamental principles, in order to insure that such arrangements shall subserve the broader purposes of an expanding world economy. Thus such arrangements should provide for equal representation of

<sup>1</sup> BULLETIN of Sept. 10, 1944, p. 254.

the interests of exporting and importing nations, i. e. of both producing and consuming nations. Such arrangements should also afford expanding market opportunities for the more efficient world producers as compared with relatively less efficient producers of the commodity in question. In cases where world productive capacity is clearly in excess of what will normally be required for the satisfaction of world demands at reasonable prices, international commodity arrangements should include programs for the shifting of high-cost resources out of the over-expanded industries into new and productive occupations. Commodity agreements of this type should run for a definite time period, and provision should be made for the periodic review of their operations by an international agency which would facilitate cooperation between governments in the solution of international commodity problems.

It should be emphasized that the purpose would certainly *not* be to promote indiscriminate recourse to international commodity agreements as a permanent or general method of organizing international trade. The purpose would be, rather, to furnish a means whereby special problems of burdensome commodity surpluses can be dealt with by international cooperation, and to forestall the development of dangerous international rivalry in the disposal of surpluses at any price.

#### INTERNATIONAL ECONOMIC ORGANIZATION

It will have been obvious from my foregoing remarks that there is a close relationship among the various elements in our international economic policy. All are designed to contribute to the same end, but each makes use of the tools most appropriate to the problem with which it directly deals. In my introductory remarks I also referred to the intimate relationship between our objectives for full employment and material well-being on the one hand, and for world security on the other. Full success in each field will be dependent upon progress in all others, and advance in one will facilitate and quicken progress in the others. The problem which this poses for us is to be able to see our economic policy as one piece and to keep its various parts mutually consistent without falling into the danger of insisting that before we venture upon action in any one field progress must have been made in all others. There is no more real danger in the field of international economic

collaboration than that we shall fall into futile debates of the chicken-and-the-egg variety.

One safeguard against these dangers is to be found in provision for a central international organization which, without having primary responsibility for any one field, would be able to keep an eye on the picture as a whole. This we may hope to accomplish through the general United Nations organization projected at the Dumbarton Oaks conference. One of the major organs of this body is the Economic and Social Council, in which is vested, under the authority of the General Assembly, responsibility for facilitating solutions of international economic problems. Without losing their individual identity, provision would be made for establishing close relationship between the Council and the various specialized agencies which will be required to facilitate international collaboration in the various fields, including those to which I have referred above. Among these agencies we already have the well-established International Labor Organization, which brings to bear upon international economic problems in its sphere the views of labor, management, and government.

As a result of the Hot Springs conference an interim commission of the United Nations has recently completed a proposal for an international organization in the field of food and agriculture. Similarly, the Bretton Woods proposals are expected to give rise to two other organizations, the International Monetary Fund and the International Bank for Reconstruction and Development. We shall also need international organization as a continuing international forum on the problems of international trade, commodity arrangements, and private business agreements. Most of these bodies, it may be anticipated, will be fact-finding and advisory; the Fund and the Bank will have operating functions; all of them will have in common the objective of promoting those conditions and adjustments in the economies of all countries of the world which will be conducive to reaching and maintaining an expanding world economy. The advisory and consultative functions of the Economic and Social Council can help to insure that the activities as well as the objectives of all of the various specialized bodies are in fact harmonious and consistent with each other.

So far as machinery is concerned, we shall have envisaged as much as seems possible and prac-

*(Continued on page 682)*

# The Export-Import Bank of Washington

## The First Ten Years

By ELEANOR LANSING DULLES<sup>1</sup>

### NEW INVESTMENT INSTITUTIONS AND NEEDS

For several decades there has been a wide-spread desire for more order, discipline, and cooperation in the field of international investment. Because many nations are still largely undeveloped and because others are dependent for capital goods on wealthier or more highly industrialized lenders, there are real possibilities for profitable loans, and yet in the past some of the more promising investments have failed. The difficulty in securing an adequate flow of capital has been to some extent the lack of coordination of financial enterprise with diplomatic and political measures, the highly speculative point of view in some centers, and currency instability and exchange restrictions. In some cases fluctuations in exchange rates have been highly disturbing; in others the credit risk has proved to be too great; sometimes war and revolution have prevented repayment. A notable attempt to fit investment programs to a policy of constructive commercial and financial statesmanship and to aid commerce is found in the modest yet highly successful operations of the Export-Import Bank over a 10-year period.

The growing recognition of need for expert guidance in foreign lending and the development of international standards designed to safeguard both creditor and debtor was manifest during the inter-war period in other plans and proposals. The Young Plan conferees of 1929 thought that real progress could be made by imaginative financial cooperation through a world bank. Unfortunately the Bank for International Settlements, established in 1930, fell far short of these hopes. Later, proposals for an inter-American Bank have given another indication of concern with these matters in the Western Hemisphere. More recently the Bretton Woods proposal for an International Bank for Reconstruction and Development has shown a growing determination on the part of many nations to move toward balanced, supervised lending between countries.<sup>2</sup>

The war has brought new factors into the credit situation which are bound to influence future in-

ternational financial relations in ways difficult to predict. The lend-lease programs, developed in an endeavor to subordinate conventional financial considerations to the urgent requirements for goods and to various emergency demands, has led to new types of transactions. It has been made clear that where the need is sufficiently urgent and where governments control the expenditures, financial arrangements can be made to fit the goods transactions. Even wartime international transfers of a special nature are apt to influence future lending. To the growing body of experience and to the knowledge which will be important to future developments the Export-Import Bank can contribute its record of public participation in private international loans and of leadership of a public institution in foreign investment undertakings and also its history of advisory activities and selective support of developmental projects.

The Export-Import Bank has been limited in both scope and resources as compared with plans for future undertakings such as those outlined at Bretton Woods. It has nevertheless served to demonstrate some of the practical possibilities in the field of foreign investment. The capital available has been small; the United States acting alone has supplied the funds. The Bank can, however, serve as a model for several types of international loans whenever a larger and more ambitious international institution is created. The value of its experience will be shown particularly in instances where the nature of the enterprise and of the commodities needed, as well as their probable use, is known in advance. In any case the success of financial statesmanship, while thus far on a limited scale, can be reviewed to discover the effects of one type of collaboration and to anticipate the opportunities and limits likely to develop when international action of wider scope is undertaken.

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<sup>2</sup> BULLETIN of July 30, 1944, p. 114. See also BULLETIN of Nov. 5, 1944, p. 539.

The Bank has already shown the possibility of giving discriminating government support to private foreign business undertakings as well as to public projects. Its fairness and financial judgment in its dealings with United States banks and with foreign borrowers, both public and private, have been unquestioned. Its losses so far have been negligible. Its record of repayment has been excellent. There has been no hint of exaggeration or bias in its operations in the long congressional debates over its expansion and modification.

The success of the Bank in its assigned tasks is granted; however, there remains the question of what light its experience throws on the fundamental problems of foreign investment. How far can a nation go in extending credits and selling goods if there is no clear indication of the way in which goods can flow in the opposite direction to repay these loans? How can lending by the more powerful nations be carried on without encouraging dangerous forms of intervention by one country in the affairs of another? Is there a likelihood that private initiative and investible funds will shrink as public participation increases? It is not likely that the history of the Export-Import Bank can supply answers to all the main questions. Its operations have been bilateral rather than international in the broader sense. Its loans have not been large enough to place heavy interest burdens on the borrower or to dominate trade. Its influence has not been on a scale to raise the more difficult questions as to political pressures and economic imperialism. In these past years its ready acceptance by both lenders and borrowers suggests to some that if each transaction is carefully viewed on its merits, ways perhaps can be found to meet the more basic economic problems. To a limited extent the standards and techniques may serve as guides to future action. New plans need not lead to the discarding of old and tried measures. The larger institutions may move forward more assur-

edly with some familiar agencies as adjuncts and collaborators. Certainly in the Western Hemisphere the attitude toward international cooperation in investment is likely to be the more favorable because of the experience of the Export-Import Bank. The most pressing probably of all the problems confronting international investors is the nature of the role of the United States as lender and the development of United States trade policies consistent with its creditor position.

The Export-Import Bank during its 10 years has participated in loans totalling approximately half a billion dollars, although commitments have been much larger. The loans of the future through many sources and for many countries may be 10 or 20 times greater. The economic strain and stress will be multiplied in proportion. The need for well-balanced plans is obvious.

#### THE ORIGIN AND EARLY HISTORY OF THE BANK

The plan for the original Export-Import Bank developed out of the problems of financing trade with the recently recognized Soviet Government. The Bank was incorporated in the District of Columbia under an executive order of the President dated February<sup>1</sup>2, 1934.<sup>3</sup> It was intended to assist in the financing of trade with the Union of Soviet Socialist Republics, but it later proved to be significant mainly in connection with commerce with the other American republics. In fact, because of the breakdown in debt negotiations no credits were ever granted to the Union of Soviet Socialist Republics through this channel. The original idea was to have different banks for various countries, but that idea was almost immediately abandoned as too complex to be practical. Thus, when in this same year financing with Cuba and other countries was needed, a second Export-Import Bank was instituted to deal with "all countries except Russia". This second institution created in March 1934 extended credits for Cuba and China. After a brief existence it was merged with the first Bank, and its charter was terminated by executive order of May 7, 1936.<sup>4</sup>

The combined resources of the two Banks was at first extremely small as compared with the value of United States foreign trade or even as compared with the larger private banks. The first Export-Import Bank had a capital stock of \$11,000,000. There were \$1,000,000 of common stock

<sup>3</sup> Executive Order No. 6581. The certificate of incorporation in the District of Columbia, No. 22430, is dated Feb. 8, 1934. The certificate of incorporation was amended on Feb. 9, 1935, Apr. 3, 1936, and Jan. 10, 1941. The Bank was created under the authority granted by the National Industrial Recovery Act of June 16, 1933 (Public Law 67, 73d Cong.) and the Reconstruction Finance Corporation Act of Jan. 22, 1932, as well as under the Bank Conservation Act of Mar. 9, 1933.

<sup>4</sup> Executive Order No. 7365.

in 10,000 shares and \$10,000,000 of preferred stock in 10,000 shares.<sup>5</sup> The second Bank had preferred stock of \$2,500,000 and common stock of \$250,000. The common stock was retired by June 30, 1936 when the original Bank took over its activities. The preferred stock of the Bank amounted to \$174,000,000 in November 1944.

Since its organization the Bank has operated in close conjunction with the Reconstruction Finance Corporation. Through the later years its transactions were closely coordinated at times with those of the Commodity Credit Corporation and other financial, marketing, and production agencies, particularly those concerned with inter-American relations or with the handling of strategic supplies. Its board of trustees has consisted of representatives of the Departments of Commerce, State, Treasury, and Agriculture as well as of the Reconstruction Finance Corporation and later of the Foreign Economic Administration.<sup>6</sup>

On January 31, 1935<sup>7</sup> the first Export-Import Bank was given the legal form under which most of its operations have been carried on, and shortly thereafter the trustees of the two Banks voted to liquidate the second Bank. Its shares and re-

<sup>5</sup> One million dollars worth was paid for out of appropriations under the National Industrial Recovery Act; the balance was subscribed by the Reconstruction Finance Corporation.

<sup>6</sup> At its formation there were 5 trustees representing the Departments of Agriculture, Commerce, and State and the Reconstruction Finance Corporation, there being 2 from the Reconstruction Finance Corporation (see Executive Order No. 6581 of Feb. 2, 1934), but the group was expanded to 9 on Feb. 14, 1934 (see Executive Order 6601-A). Additional representatives from the State and Treasury Departments, the Foreign Trade Commission, and Mr. Peek (assistant to the President) were added. The trustees were later increased to 11. These 11 persons represent the Departments of Agriculture, Commerce, State, and Treasury, the Reconstruction Finance Corporation, the Foreign Economic Administration, and officials of the Export-Import Bank (Annual Report of the Export-Import Bank, Washington, D. C., Jan. 6, 1944).

<sup>7</sup> Public Law 1, 74th Cong.; see Hearings of Banking and Currency Committee on H. R. 4240 (S. 1175), Jan. 23, 1935. The act of Jan. 31, 1935 was further amended four times and the life of the Bank was extended to Jan. 22, 1947.

<sup>8</sup> It also included a prohibition of loans to countries or their agencies whose governments were in default to this country on Apr. 13, 1934, the date of the passage of the Johnson Act, and loans which would violate the Neutrality Act of 1939. This phrasing was deemed necessary since the Johnson Act did not prohibit loans by governmental agencies.

sources were merged to the first Bank. Virtually no transactions were carried on in the first two years. With the failure of the original idea of financing trade with the Union of Soviet Socialist Republics, little interest was shown in the Bank.

The main changes in the legal characteristics of the Bank in the early years can be summarized briefly. The act of 1935, passed while the Bank was still largely inoperative, gave it special statutory basis and did little else except to remove the restrictions growing out of the limitations on discounting and on loans of more than 10 percent to one borrower which were in the District of Columbia laws. The life of the Bank was extended to June 16, 1937. The act of January 26, 1937 extended the life of the Bank until June 30, 1939 and made no other changes.

The second amendment, March 4, 1939, further extended the time-limit to 1941 but also added the limit of \$100,000,000 on loans and obligations. This latter provision was an indication of the modest nature of the undertaking. It was thought that such a limitation on the volume of business would be a wise precaution at a time when some feared that the Bank's credit might be used indirectly to help belligerents in carrying on the war. In the 1939 hearings discussion of the Reconstruction Finance Corporation, which was up for consideration, overshadowed the interest in the Export-Import Bank, which appeared in the bill as only one section.

The discussion of amendments to the act in January 1940 focused mainly on the possible use of the Export-Import Bank to finance war shipments and on the fears of unneutral transactions. As a result of evidence presented as to the Bank's neutrality and sound business standards, the act passed extending the limit for total loans outstanding from \$100,000,000 to \$200,000,000 but inserting a limit of \$20,000,000 on loans "to any one foreign country and the agencies and nationals thereof".<sup>8</sup>

#### OPERATIONS IN THE FIRST FIVE YEARS

Transactions during the first five years were small, with disbursements totaling less than \$62,000,000 for the period. The largest annual disbursements were \$21,113,216 in 1936. Repayments for the period were slightly more than half the disbursements or approximately \$35,000,000. Commitments based on agreements to participate in projects which had not yet reached the definitive stage aggregated more than \$200,000,000. About

half the authorizations had been cancelled for various reasons; a remainder were kept open. Then as later the Bank authorized credits for projects which were still in a preliminary stage, and the authorizations frequently allowed for a margin above the minimal needs.<sup>9</sup>

The transactions in the first few years were mainly designed to facilitate the marketing of United States products by granting more flexible and often more liberal conditions than those otherwise obtained. In some cases the interest charges were lower; in some, the time-limits were better adapted to the particular transaction than those through the commercial banks; in others, the sharing of the Bank in the credit burden was a significant factor.

The disposal of agricultural products and other surplus commodities was of particular interest at this time. Loans were granted for marketing United States tobacco in Spain and cotton in Italy, Czechoslovakia, Germany, Latvia, and Poland. The continuing depression had led to a widespread desire to provide facilities for orderly marketing and prevention of dumping. The facilities of the Export-Import Bank seemed designed to meet an urgent need.

Another type of loan was significant because of current monetary and exchange problems. During the pre-war years the large increase of monetary management and exchange control was accompanied in various instances by the blocking of accounts and frequently by the instability of exchange rates. These conditions seriously disturbed the flow of goods and threatened economic stability. The Cuban purchase of silver, though related to that country's currency, was a rather special case and was not so much a monetary measure as a credit to assist the Cuban Government—similar in some respects to credits extended on other occasions by the United States Mint. The loan to Brazil, though only a small portion of it was used, was made to ease Brazilian blocked accounts of American exporters. In this case the Export-Import Bank agreed to discount the notes of the Bank of Brazil at four percent up to a total of about \$27,750,000; however, actually slightly less than \$2,000,000 were discounted. The extension of credits to help in stabilizing the exchange rate of Peru eased the pressure so that

Peru did not actually need to use the funds. Colombia and Costa Rica also received credits which helped them to handle their exchange problems.

It is natural, in view of the preoccupation with the depression in the first five years, that financing of the sale of agricultural products and heavy goods was the central interest, and that developmental projects were not given so much emphasis then as later. It was agreed that the Bank filled a real need, because the conditions under which short-term credits extended were somewhat rigid with respect to maturity and types of guaranties. The European Central Bankers' meeting at the Bank for International Settlements in Basel and elsewhere had already devoted considerable attention to the possibility of developing "middle term" or intermediate credit to help in financing trade, particularly with countries when the typically commercial 90-day term caused difficulties. To some extent the Export-Import Bank by its flexible arrangements helped to fill the gap and demonstrated the feasibility of varied types of loans.

The use of special devices in the form of a barter arrangement involving cotton transactions with Germany, which might lead to trade practices new to this country, was rejected early in the Bank's experience, during the presidency of George N. Peek. These methods were held to be against this Government's foreign-trade policy, and it is possible that the Bank's rejection of measures characteristic of Fascist economies which might have resulted in a multiple price system, hidden subsidies, and dumping of commodities influenced all its future transactions. Mr. Peek, who resigned at this time, was succeeded by Warren Lee Pierson, the present president of the Bank.

Prior to the amendment of 1940 the most noteworthy loans, in respect to size or the uses to which they were put, were made to Chile, China, Cuba, Brazil, Finland, and Haiti. The loan of \$25,000,000 in 1939 to the Chinese-owned Universal Trading Corporation of New York was made to assist United States exports of agricultural and industrial products and the importation of wood oil to the United States, but this transaction was generally recognized as a sign of official support of China in her war with Japan.<sup>10</sup> It was therefore not exclusively economic in significance. The need for the Brazilian credit already referred to rose mainly out of the special exchange restriction. It was granted primarily to ease a special monetary situation. The loan of June 1938 to Haiti was of

<sup>9</sup> See Annual Reports of the Export-Import Bank.

<sup>10</sup> BULLETIN of Mar. 28, 1942, p. 260, and Apr. 15, 1944, p. 356.

a developmental character for the construction of engineering projects, particularly roads and bridges, and thus had various social and economic implications. In 1939 another developmental credit was granted, namely the loan to the Chilean *Corporación de Fomento de la Producción*.<sup>11</sup> Though small, it is of interest as the first of several loans to development corporations of the other American republics. It involved the authorization of \$5,000,000. At that time other lending facilities of considerable interest were developed through a \$200,000 revolving credit, available up to a maximum of \$20,000 a year to any one firm.

These lending facilities illustrated that the loans were varied in character and that they covered a wide field. The 1939 amendment, however, by including the limit of \$100,000,000 on the total of loans, underscored the limited significance of the Bank. There was evidently little thought of the Bank's taking an aggressive part in a large number of developmental projects.

The early transactions may be considered as experimental, but they were also characterized from a business point of view as cautious and sound. In the hearings on the extension of the Bank's powers there has been no criticism with regard to the nature of its dealings with either United States or foreign firms. The loans attracted little attention; in fact if they had not served as a basis for later expansion to meet wartime needs, they might have had little lasting importance.

#### THE SECOND FIVE YEARS

Early in 1940, as indicated above, efforts were made to expand the scope of the Bank and to increase its resources. Bills introduced in the House and Senate<sup>12</sup> were the occasion of spirited debate which brought before the Congress significant facts with regard to our defense policy, relations with the other American republics, and the plans for using our financial resources for the mutual interest of United States exporters and business of the other American republics. The act creating the Export-Import Bank was twice amended in 1940, first on March 2 and then on September 26.<sup>13</sup>

The shift in emphasis that came with the war is indicated in the congressional discussions. It is summarized in part in the amended act:

"To assist in the development of the resources, the stabilization of the economies, and the orderly marketing of the products of the countries of the

Western Hemisphere by supplying funds, not to exceed \$500,000,000 outstanding at any one time, to the Export-Import Bank of Washington, through loans to, or by subscriptions to preferred stock of, such bank, to enable such bank, to make loans to any governments, their central banks, or any other acceptable banking institutions and when guaranteed by any such government, a central bank, or any other acceptable banking institution, to a political subdivision, agency, or national of any such government, notwithstanding any other provisions of law insofar as they may restrict or prohibit loans or other extensions of credit to, or other transactions with, the governments of the countries of the Western Hemisphere or their agencies or nationals:"

The new statements relating to the Johnson Act and the Neutrality Act are embodied in the proviso:

"That no such loans shall be made in violation of international law as interpreted by the Department of State, or of the Act of April 13, of 1934 (48 Stat. 574), or of the Neutrality Act of 1939. Upon the written request of the Federal Loan Administrator, with the approval of the President, the bank is authorized, subject to such conditions and limitations as may be set forth in such request or approval, to exercise the powers and perform the functions herein set forth. Such loans may be made and administered in such manner and upon such terms and conditions as the bank may determine."<sup>14</sup>

The Export-Import Bank became thus a definite instrument of American foreign policy.

From the time of the passage of the amendments the whole orientation of the enterprise changed. For one thing, the amendment associated the addi-

<sup>11</sup> BULLETIN of Nov. 12, 1944, p. 571.

<sup>12</sup> Hearing on S. 3069 (H.R. 8477), Feb. 16, 19, and 20, 1940, Committee on Banking and Currency. Hearing on S. 4204, July 30, 1940, Committee on Banking and Currency. Hearing on H.R. 10361, Aug. 6, 7, 8, 13, and 14, 1940, Committee on Banking and Currency.

<sup>13</sup> Act approved Sept. 26, 1940 (Public Law 792, 76th Cong.).

<sup>14</sup> Act approved Sept. 26, 1940 (Public Law 792, 76th Cong.). The earlier proviso, relating to the first \$200,000,000 of credits, stating that loans should not be extended to borrowers whose governments were in default to this Government on Apr. 13, 1934, was still retained in the unamended part of the act.

tional \$500,000,000 with the need for assistance in the development of resources of the other American republics.<sup>15</sup> In support of the bill the importance of strategic materials was stressed. Furthermore, the idea of economic support to neighboring countries as an aid to foreign policy was in the foreground.<sup>16</sup>

With the changes in the law came the use of other criteria in the approval of particular loans—notably the attempts to speed the production and to support those types of enterprises which would strengthen the economic structure of the other American republics, either specifically or through general improvements in their economic condition, and thereby assist in the defense of the Western Hemisphere.

Secretary Hull's speech before the Habana conference on July 22, 1940 had emphasized the need for closer economic relations among the American republics and had discussed the importance of special measures for handling surpluses, and the desirability for strengthening the Inter-American Financial and Economic Advisory Committee to assist in trade.<sup>17</sup> He also urged the expansion of various financial and advisory facilities to assist in trade in the Americas. Article XXV of the Final Act of the Habana conference followed along the lines of that speech.

The President gave his support to the expansion of activities in a message and requested "that the Congress give prompt consideration to increasing the capital and lending power of the Export-Im-

<sup>15</sup> Officials of the Bank have considered that the statement regarding the other American republics indicated only a potential limit on the loans outstanding at any time in that area. The over-all limit was increased to \$700,000,000.

<sup>16</sup> At approximately the time the bill was approved, that is on Sept. 22, 1940, a 10-year loan was authorized for the development of a Brazilian steel mill.

<sup>17</sup> See Hearings on H.R. 10212 (superseded by H.R. 10361), Aug. 6, 1940, etc., p. 6, of Committee on Banking and Currency. These hearings also give article XXV of the Final Act of the Habana conference. See BULLETIN of Aug. 24, 1940, p. 141.

<sup>18</sup> BULLETIN of July 27, 1940, p. 41. See Hearing on S. 4204 before the Committee on Banking and Currency, 76th Cong., July 30, 1940, pp. 2, 3, 4, and 5.

<sup>19</sup> See Hearings on S. 4204, July 30, 1940, pp. 26-37.

<sup>20</sup> S. Rept. 2005, 76th Cong.

<sup>21</sup> *Ibid.*, p. 5.

<sup>22</sup> Message from the President of the United States, Transmitting the 16th Report to Congress on Lend-Lease Operations for the Period Ended June 30, 1944 (Washington, 1944), p. 50.

port Bank of Washington by \$500,000,000, and removing some of the restrictions on its operations to the end that the Bank may be of greater assistance to our neighbors south of the Rio Grande, including financing the handling and orderly marketing of some part of their surpluses."<sup>18</sup>

In the hearings the Secretary of Commerce in reply to a question said that this amendment would constitute a departure from the theory of the Export-Import Bank as it had hitherto operated. At the same time he stated that it did not involve a shift from the policy of "trying to aid American exporters and manufacturers in their foreign business." The bill was designed mainly to enlarge the scope of the Bank and to adjust it to the changing needs. In the discussions of the past operations, figures presented for the commitments and disbursements showed that as of June 30, 1940 the commitments to Europe exceeded those to the other American republics, while disbursements under credits extended amounted to about \$84,000,000 to Europe and China as compared with about \$73,000,000 to the other American republics.<sup>19</sup>

The prolonged debate of the 1940 amendment was largely dominated by current arguments on defense measures and on neutrality legislation. In the Senate report of August 6, 1940<sup>20</sup> Senator Wagner, referring in each paragraph to some aspect of the war emergency, praised the past record of the Bank and urged its expansion "as a means of securing the total defense of the United States."

In contrast to the majority-committee support of the Bank, the minority views indicated fears that the "cartel" plan suggested at Habana "is not necessarily to end with the war or the economic dislocation caused by the war . . . the present bill, therefore, is part of a new economic policy."<sup>21</sup> The main emphasis of the objections at this time was that the attempt to control surplus commodities was harmful, that this aid to South America is not an advisable foreign policy, and that the new policy had a "distinctly anti-German flavor".

In view of the enormous war costs and the expenditures under lend-lease, the \$700,000,000 limit of the Export-Import Bank seems small almost to the point of insignificance. To gain some idea of size and importance, one can note that expenditures from loans extended between 1940 and 1944 were not much larger than those under lend-lease<sup>22</sup> and probably less than expenditures

through the office of the Coordinator of Inter-American Affairs. Expenditures under lend-lease to the other American republics are reported to have amounted to approximately \$172,000,000 on June 30, 1944, while the amounts of Export-Import Bank disbursements between January 1940 and June 1944 had been approximately \$200,000,000. Moreover, the purchases and commitments of the Rubber Reserve Corporation and the Metals Reserve Company were also substantial in amount. Admittedly, the economic effects in the other American republics of loans, purchases, and lend-lease vary greatly in different cases. Some of the funds are spent in the United States and some in the borrowing or receiving country. Thus, the comparison among the different categories and amounts cannot be carried far.

#### THE BANK AS A SUPPORTER OF DEVELOPMENT PROJECTS

Particular interest has been attracted by the activities of the Bank in Brazil. They have also been the largest of a considerable number of projects financed for any of the other American republics.<sup>23</sup> The largest disbursements to one country were, however, outside this hemisphere: \$116,000,000 in credits, the bulk of which were authorized in 1940, were extended to China.

Vivid accounts of the Brazilian steel and transportation loans make them appear to be of substantial importance to the United States in strengthening productive resources in the Western Hemisphere and, more specifically, to be of a considerable consequence to Brazil. In the case of the Companhia Siderúrgica Nacional, a large development about 90 miles from Rio, the Brazilian Government matched the first \$25,000,000 lent by the Bank. Thus, the effect of the \$45,000,000 worth of United States credits and equipment was increased to the scope of a \$70,000,000 project. Brazil owns the mills, with shares held by the Government, savings banks, and other groups. Since it has been estimated by some that Brazil may prove to have the largest iron-ore resources in the world, this enterprise has long-range implications beyond its possible significance in the war period. The other most conspicuous commitment to Brazil was made for aid in the development of the Itabira iron mines by means of improving the transportation. This loan was to be amortized over 25 years at four percent and was to be serv-

iced in part from the proceeds of ore delivered at an agreed price.<sup>24</sup>

Mr. Pierson is quoted as saying that the object of loans such as those to Brazil was to help the other American republics to build up their industries and thus to "decolonize" them. He suggests that Europe had not been too sympathetic in the past but that the United States was clearly anxious to encourage constructive development of this type.

In 1942, at the conference at Rio and subsequently, there were discussions, in connection with the Export-Import Bank and the developmental projects, of the manner of maintaining adequate standards of government personnel, of assuring the necessary competence and initiative, and of preventing the funds from being squandered on useless projects. The Inter-American Financial and Economic Advisory Committee in August 1942 advised the other American republics to proceed with various types of plans and studies.<sup>25</sup> There was recognition of doubts as to the accomplishments of some of the developmental projects and as to the possible loss of some of their popular support locally.

The projects in Cuba, approved in 1941 under the National Development Commission and financed in whole or in part by the Export-Import Bank, are varied. The projects, which totalled \$25,000,000, included those for highways, irrigation, warehouses, agricultural machinery, and telegraph equipment, and other types of capital expenditures. The strictly national projects, with the use of United States credit, have succeeded better than those with a large share of United States direct participation.

<sup>23</sup>Another series of loans in connection with the Inter-American Highway and various types of credits to the smaller countries merit attention. The disbursements for Cuba under Export-Import Bank loans included some funds for development. Several of the loans to Venezuela, Costa Rica, Ecuador, Haiti, and other countries affected wages and economic conditions in those countries. The projects designed to increase diversification and to improve irrigation and transportation as well as to assist low-cost housing developments were included.

<sup>24</sup>BULLETIN of Mar. 7, 1942, p. 205.

<sup>25</sup>An outgrowth of Export-Import Bank and other financing in the other American republics has been the setting-up of 21 Inter-American Development Commissions. See BULLETIN of May 6, 1944, p. 415. These were established on the recommendation of the Inter-American Financial and Economic Advisory Committee created earlier by the Pan American conference of 1939 at Panamá. See BULLETIN of Nov. 18, 1939, p. 564.

### PRINCIPLES AND TECHNIQUES OF THE BANK

The general principles governing foreign lending by the United States Government are the results of broad economic and political aims in the international field. Only rarely, however, are the economic criteria in selection and administration modified in any significant degree by non-economic considerations. The activities of the Bank are in most respects similar to those undertaken by sound financial institutions with comparable resources. Some of the standards for granting credits can be indicated briefly. It is generally agreed that loans from public funds must be beneficial to both lender and borrower. Moreover, the projects must be sound in that they add strength to the entire economic fabric and provide the means for repayment of the loans. When a government is the borrower, the loans, provided they have a favorable effect on the economy and thus exert a favorable influence on revenues, need not be self-liquidating.

The Export-Import Bank insists on the assurance that managerial and technical ability be of a high caliber. It examines the projects in view of their effect on established interests and also scrutinizes the loans to assure that they do not compete with private financing, where credits are available on reasonable terms.

#### *Financial Status*

(as of November 15, 1944)

Total Commitments . . . . .	\$1, 195, 203, 549. 96
Total Cancellations and Expirations . . . . .	353, 158, 138. 44
Total Disbursements . . . . .	475, 003, 851. 09
Total Repayments . . . . .	251, 696, 494. 70
Total Outstanding Loans . . . . .	223, 307, 356. 33
Balance of Commitments Not Yet Disbursed . . . . .	367, 041, 560. 43
Total of Outstanding Loans and Balance of Commitments Not Yet Disbursed . . . . .	590, 348, 916. 70

Whenever possible the loans granted are limited to the dollar requirements of the borrower and are not used to meet internal obligations and expenditures in local currencies. Some few exceptions have been made to this guiding principle. With a view to the long-run interests of the countries concerned, attention is given to the size of the

obligations being assumed, to the prospects of repayment, and to the promotion of friendly relations by protecting the rights of borrower and lender and by avoiding provisions that may lead to misunderstandings.

The resources and experience of the Reconstruction Finance Corporation have always been of substantial help to the Export-Import Bank. The RFC was first authorized to extend foreign loans in 1932 when it was empowered to finance the exportation of agricultural surpluses and to aid commerce in other ways. While it continued to exercise these functions after 1934, it also furnished some of its funds to the Export-Import Bank by purchasing preferred stock.<sup>26</sup> In addition to direct relations in connection with the sale of stock by the Export-Import Bank to the RFC, the interchange of ideas and expert knowledge has always been valuable in increasing the effectiveness of operations.

The techniques adopted by the Bank are familiar procedures. No attempt has been made at rigid standardization. The methods are designed to make certain that funds are devoted solely to the realization of the purpose of the loan and that expenses are kept to a minimum. It has aimed in part, by modifying ordinary financial procedures, to fill two main gaps in private facilities: the need for medium-term credit for commodities usually financed on a 90-day basis and the use of foreign funds for projects of broad local significance which are not yielding immediate and direct dollar profits.

The Bank has lent in dollars and has been repaid in dollars, thus assuming no exchange risk. The borrowers do not, as was so often the case in the loans to European countries after the first World War, incur large debts in foreign exchange to pay for an internal expenditure. Loans are made rarely in lump sums. They usually result in the establishment of a line of credit. The borrower uses only as much as he needs and pays no interest on the remainder authorized. Most of the loans led directly to purchases of United States goods for export; some few were spent locally on goods and services.

Interest rates were low, relative to the yields on many securities of the other American republics and on others which are comparable. The rate on stabilization credits was either 3 or 3.6 percent and on developmental and other types, 4

<sup>26</sup> Hearings on S. 3069, Feb. 19, 1940, p. 44. In the discussion the Secretary of Commerce said "the bank practically belongs to the R. F. C., so it does not matter whether we lend the money or buy the stock" of the Export-Import Bank.

percent. Since the volume of lending in each country was small, the influence of these rates is not clearly discernible. In fact it is usually assumed that as long as there is no direct or substantial competition with private loans little influence is to be expected. Opinions among economists differ as to the degree that loans by the Bank affect other borrowing.

In general, new lines of credit are not opened unless there is a probability for early use. The financing of individual loans usually takes the form of revolving credits set up locally by the government concerned to handle day-to-day expenditures. Usually each note bears its own authorization so that the total period is based on the time when the credits are actually used and not on the time when the line of credits was opened. The Export-Import Bank has used commercial banks as agents wherever possible, assuming part of the financial risks and dividing the return with the agent. This procedure has lessened the need for larger sales of preferred-stock borrowing from the RFC.

Although the length of life of the loans varied, most of the export and development credits run from 10 to 16 years, a few longer. Repayments are scheduled to begin at the earliest practicable date. This provision facilitates a gradual adjustment of the debtor and creditor to the transfer of principal in settlement of the debt.

The conditions on which the loans are granted usually include the employment of able technicians and engineers. The initiative for the loans has come sometimes from the foreign borrower and sometimes from the United States exporter or engineering firm. Frequently United States private institutions make the actual advances under an agreement of reimbursement. Sometimes they carry a share of the financing. When a loan is made for the sole purpose of financing the export of capital goods, it is the practice to assist other institutions through the purchase of the obligations issued by the foreign borrower. Sometimes the foreign agencies have participated on a considerable scale. The advisory and supervisory functions of the Bank have varied.

#### TYPES OF OPERATIONS

At all times the Bank has aimed at strengthening the economic position of this country and the other American republics. In recent years activi-

ties have been guided to some extent by broad considerations of defense. So far the loans have been fairly well distributed between short- and long-run projects. Although classification is difficult, a few main types can be noted briefly.

In the early efforts of the Bank, loans were made to facilitate the marketing abroad of surpluses of agricultural products and heavy goods which were hanging over the market in the depression years. Such commodities as cotton and tobacco were sold widely in small quantities to European countries.<sup>27</sup>

Loans were made that were definitely influenced by broad international considerations, notably the ones made to China and Finland. Some of those loans made to the other American republics have also been in this category. The goods transactions which were arranged in connection with these advances were, however, similar to those designed to aid United States business.

Two types of exchange and monetary assistance were rendered by the Bank. The favorable influence of credits on the exchanges is illustrated by the advance to Peru. This credit however was not used because pressure on the exchange rate disappeared when it was known that dollar funds were available. Some credits for the Bank of Brazil were related to the exchange problems of 1936 and thereafter, more particularly the blocking of milreis balances. A number of other loans for the other American republics were in this category.<sup>28</sup>

Another type of transaction, namely that for developmental projects, was evident first in the early loans to Chile and Haiti. Larger projects in Brazil and numerous advances to *fomento* and other public agencies followed. The Bank has found in some cases that government agencies, such as the development corporations in the other American republics, have provided satisfactory vehicles through which credits can be used. These loans were designed to aid in the diversification and strengthening of the economies of the other American republics and also to facilitate United States exports and healthy economic relations with this country. Transportation, electrification, and other similar categories can be distinguished from those to develop natural resources, those for industry, those for export of capital goods, and those

<sup>27</sup> Commitments in this category were made to Spain, Czechoslovakia, Italy, Denmark, Norway, and Sweden.

<sup>28</sup> Loans of the monetary and exchange type were made to Brazil, Nicaragua, Paraguay, Peru, and Costa Rica.

in which management and technical assistance play a large part.<sup>29</sup>

Closely related to development loans in motive, but distinguishable in fact, were the commitments made to increase and speed the production of strategic materials. These were particularly evident in the more recent years, but in terms of dollars they do not, in fact, constitute a very large part of the whole.

There were a number of other authorizations which are difficult to classify but which are perhaps of equal significance. As signs of a diversification of the aid offered, there may be mentioned the loan to Cuba in connection with the coinage of silver, the arrangement to collect the notes of the Deutsche Getreide Handels Gesellschaft, and the Grain Stabilization Corporation. An attempt to find a clear pattern in the program of assistance in any case would be misleading.

To a considerable extent each transaction was viewed on its merits and was tested in relation to its effect on exports and general economic strength and also as a reasonable business arrangement. Within a broad framework of this sort, many advances could be made and a network of economic enterprise could be nourished and strengthened.

#### CONGRESSIONAL COMMENT ON THE ACTIVITIES

The Congress, in debate on the expansion of the Bank, has kept its obligations to the taxpayer in the foreground in considering whether the Export-Import Bank adds new costs and increases burdens of the taxpayer. It has on each occasion asked for the facts which would demonstrate the nature of the risk and possible losses. It has usually commended the administration of the Bank. It has approved adherence to a standard for public loans of the Bank similar to that of sound business undertakings. The Congress has also been concerned with the direct effects on United States production.

It has seemed necessary in the debates on the Bank to defend its operations in terms of the direct effect of loans on exports from this country. The statement made at one time that almost "every dollar" was spent in the United States seemed to carry considerable weight. Some of the discussions, in fact, tended to be mercantilistic in that exports have been considered as ends with little or no con-

sideration for eventual imports. Thus there was little evidence in the 1940 hearings of a long-range constructive trade outlook such as a new Congress may develop in support of more comprehensive measures.

Concern was evidenced in the 1940 hearings over the effect on international political relations. This concern was centered mainly around the neutral position of this Government and therefore was associated with the question of undesirable entanglement. There was apparently little fear of too much intervention in the other American republics. No comment was made on possible inflation in the borrowing country nor on the precautions the Bank was using to prevent inflation. No alarm was expressed over the danger that the international loans and new projects might bring about modifications in local economies.

It is apparent that arguments brought forward for expanding the Bank's activities in 1940 and the attitude of the Seventy-sixth Congress will not fit the problems that the Seventy-ninth Congress will face. Larger demands on the Bank will bring into the foreground to an increasing extent the questions of tariffs and imports and the question of repayment, not by individual firms and separate projects, but by national economies and large monetary areas. The problems of controls, discriminations, blocs, and exchange rates will be critical in the making of future financial decisions. A Bank of larger resources and effective world-wide scope will need strong national support in adjusting long-range international interests of all cooperating nations.

#### THE OUTLOOK FOR THE FUTURE

In many specific ways the prospects facing a government bank with funds to lend abroad are vastly different now from those of five years ago. The dominating idea at that time was the defense of the Western Hemisphere from the threat of war. Today, the dominating idea is the preparation for world-wide conversion and reconstruction. Already the emissaries of various governments have asked the Export-Import Bank for aid. Commitments to four or five governments have been made. The Bank is thus participating in European reconstruction in the first stages of a large effort at financial cooperation and physical rebuilding. Obviously the present resources of the Bank are small as compared with estimates of urgent post-war needs. Only a few hundred million dollars can

<sup>29</sup> Loans in this last category were made to Chile, Bolivia, Haiti, Brazil, Venezuela, Ecuador, Costa Rica, Mexico, Uruguay, Panama, the Dominican Republic, and Cuba.

be lent under present legislation. Larger resources are therefore likely to be proposed.

In the post-war years the Export-Import Bank will probably not be alone in the field of reconstruction. In fact it may carry only a portion of the total load. An international institution such as the proposed International Bank for Reconstruction and Development could take over many aspects of the reconstruction financing once it is in operation. There is little prospect, however, that a new bank will be on an operating basis in time to meet the first urgent requests. If the plan is adopted soon some time will still be required to make it a going concern. There is no reason to doubt the general capacity of the Export-Import Bank to finance various types of projects for European countries now and after the foundation of an international bank. It can finance quickly and efficiently business which either because of special interest, size, and maturity, or because of relations to former business arrangements may not be so appropriate for a world bank.

Since there will be large demands for American equipment and supplies, Export-Import loans are almost certain to be spent mainly on goods produced in the United States, irrespective of special clauses or policies designed to limit their uses. They can, in fact, offer real aid to United States business as soon as it is possible once more to ship goods abroad in large volume. The provision for additional commitments would enable the Bank to act quickly within an accepted framework of United States policy. Moreover, the Export-Import Bank could work with and through an international organization by taking advantage of the guaranties or facilities offered.

No type of loan that has not been financed already by the Export-Import Bank is likely to be needed in the reconstruction period. The principal difference to be expected is an increase in the size of the projects and in the amount of funds required. This change in fact raises serious questions of theory and policy which an enlarged Bank would have to face. Foremost is the question of repayment—not of each loan, but of a large and increasing body of loans by this country with growing charges for interest and amortization on debtor countries. Nothing in the nature of the Bank's operation can bring a complete solution of this problem, which is essentially the issue of free commerce and the willingness of creditor nations to accept imports on reasonable terms. However,

the critical significance of imports into the United States is being recognized now in many quarters.

Another fundamental question is the extent to which the desire to increase exports can be allowed to express itself through loans which call for specific purchases of United States goods if the volume of such loans grows to a substantial amount in terms of world trade. The effect of our export policy on the programs of other governments will remain an important aspect of the foreign-investment problem.

Since emergency requirements for capital goods, raw materials, and consumer goods run to tens of billions of dollars, the aims and policies of the world's outstanding creditor nation will be of critical significance. The Export-Import Bank has already demonstrated a workmanlike approach to international lending. The question of the nature of the Bank's role among larger and more broadly international agencies may soon arise. The urgency of strengthening this particular instrument, with comprehensive aims adapted to the greater demands of the future, is implicit in the evident needs of the many potential borrowers among the nations now being liberated from the burdens of war. If the familiar tradition and policies of the Export-Import Bank are followed, no course of action to disturb private lenders and cut down lendable funds is likely to result. The essential dependence on public support, both from taxpayers and from their political leaders in forming international policy and from private investors with capital to lend, is becoming daily more apparent.

The Export-Import Bank has had an unusual record. The success of its undertakings so far is widely recognized. It has conducted a large number of loan operations with a minimum staff and with relatively little expense; at no time have the managers and experts of the Bank's payroll been more than a score, and the entire staff has been composed of approximately 50 persons, with a consequent economy of overhead. The results have been achieved by use of the personnel and the facilities of the other commercial banks participating in these operations. Relations with these banks have always been cordial and have helped substantially to assure the effectiveness of the Bank. The operations of the Bank have supplemented and reinforced foreign policy at every turn, and within the limits placed on its resources its operations have strengthened this Government's international aims and programs.

# Agreement Between the United States and Spain Relating to the Operation of International Air Transport Service

[Released to the press December 2]

Negotiations between this Government and the Spanish Government were begun in the spring of 1943 with the purpose of reaching an agreement relating to the operation of international commercial air services. These negotiations have now resulted in the following agreement which was concluded on December 2, 1944 by an exchange of notes between the American Ambassador to Spain, Carleton J. H. Hayes, and Foreign Minister José Félix de Lequerica on behalf of the Spanish Government:

## AGREEMENT BETWEEN THE UNITED STATES AND SPAIN RELATING TO THE OPERATION OF INTERNATIONAL AIR TRANSPORT SERVICE

### *Article I*

(a) 1. Air carriers of the United States are permitted to operate, pick up and discharge passengers, cargo and mail in international traffic at the following points within the territory under the jurisdiction of the Spanish Government, in operations over the following routes:

#### ROUTE 1

A route from New York through Lisbon to Madrid and Barcelona, proceeding therefrom to Marseilles, and points beyond, return being made over the same route.

#### ROUTE 2

A route from New York through Lisbon to Madrid, proceeding therefrom to Algiers, and points beyond, return being made over the same route.

#### ROUTE 3

A route from New York or Miami through South America, West Africa, Villa-Cisneros, and French Morocco, to Seville, Madrid, and Barcelona, proceeding therefrom to Paris and points beyond, return being made over the same route.

2. Spanish air carriers will be permitted to operate and pick up and discharge passengers, cargo and mail in international traffic at such point or points within the territory under the jurisdiction of the United States of America as will provide a route or routes of similar aviation importance to

those granted to the United States and set out in this Agreement. The specific point or points of access shall be determined by negotiation between Spain and the United States, in accordance with Article IX of this Agreement, at such time as the Spanish Government desires to prepare for the inauguration of service by a Spanish air carrier.

(b) Subject to the conditions set forth in this Agreement, the terms of the permits to be issued by each contracting party in favor of the air transport enterprise or enterprises designated by the other contracting party, the technical aspects of the operation, and other appropriate details of the conduct of the air transport services covered by this Agreement, shall be determined by direct consultation between the aeronautical authorities of each contracting party wherever feasible. Matters outside the scope of the aforementioned categories shall be dealt with as provided in Article IX of this Agreement.

(c) Aircraft of one contracting party using the public airports of the other contracting party, under any conditions permitted by this Agreement, shall also be entitled to use these airports, and all air navigation facilities available to civil traffic, on a national and most-favored-nation basis.

### *Article II*

(a) Each contracting party will designate its own air carrier enterprise or enterprises which are to operate the services for which rights have been granted, pursuant to Article I(a) of this Agreement. Each party may authorize one or more of its air carriers to operate the service over each of the routes for which rights are granted to said party in conformity with Article I(a). Any permit issued by either party to an air carrier enterprise of the other party, in accordance with the terms of this Agreement, will be valid only so long as the holder of the permit is authorized by its own government to operate the services covered by such permit.

(b) The contracting parties may, at any time, freely replace their respective air carrier enterprises designated for the operation of the services in accordance with section (a) of this article, the newly designated air carrier succeeding to all the

rights and obligations of the air carrier which it replaces. Under no circumstances will a change of designated air carrier by one contracting party justify the replaced air carrier in petitioning for indemnity of any kind from, or exercising judicial action of any type against, the other contracting party.

(c) Each of the contracting parties reserves the right to withhold the granting of a certificate or permit to an air carrier enterprise of the other contracting party in any case where it appears that substantial ownership or control is vested in nationals of a third country. When it appears that substantial ownership or control of an air carrier enterprise of either party holding a certificate or permit issued by the other party is vested in nationals of a third country, the party issuing such certificate or permit may revoke it or make it subject to conditions or limitations; provided that revocation shall not be ordered nor conditions or limitations imposed without prior consultation with the other party.

(d) At least two weeks before beginning to operate the services which are the object of this Agreement, the carrier or carriers designated by either contracting party will notify the competent authorities of the other contracting party of the schedules, tariffs, general terms of carriage and type of aircraft which it is proposed to use. Similar notification will be given whenever the above-mentioned data are to be modified.

### *Article III*

The certificates of airworthiness, certificates of competency or licenses issued or rendered valid by one of the contracting parties for the aircraft and crews which are to effect the services of the lines covered by the present Agreement will be valid in the territory of the other contracting party.

### *Article IV*

On the basis of most-favored-nation treatment each of the contracting parties agrees not to impose, and to use its best efforts to prevent the imposition of, any restrictions or limitations as to use of airports and airways, connections with other transportation services, or pertinent facilities in general to be utilized within its territory, which might be competitively or otherwise disadvantageous to the air carrier enterprises of the other party.

### *Article V*

(a) The importation or exportation of fuels, lubricants, spare parts, motors, equipment and material in general intended for exclusive use by aircraft of, or for operations by the air carrier enterprises of, both contracting parties will be effected on the basis of most-favored-nation treatment with respect to the payment of customs duties, inspection fees and other taxes and charges.

(b) The fuel and lubricants, as well as the legitimate equipment and stores on board the aircraft of either of the contracting parties arriving in and departing from the territory of the other contracting party, shall be exempt from customs duties or charges, even when the mentioned fuel, lubricants, equipment and stores aboard are used by the aircraft on a flight in that territory.

### *Article VI*

The commercial air traffic between two points under the national sovereignty or jurisdiction of one of the two contracting parties is exclusively reserved to the party which exercises said sovereignty or jurisdiction. Each of the contracting parties shall be entitled to most-favored-nation treatment with respect to the carriage of such traffic in the territory of the other contracting party. For purposes of this Agreement, national sovereignty or jurisdiction is understood to mean the national metropolitan territory and outlying territories, possessions and colonies, and the territorial waters adjacent thereto.

### *Article VII*

The rights conceded by either contracting party to the air carrier enterprises of the other contracting party shall be subject to compliance with all applicable laws of the issuing government and all valid rules, regulations and orders issued thereunder, including air traffic rules and customs and immigration requirements applicable to all foreign aircraft.

Any restrictions or prohibitions against flight over prohibited areas shall apply to the commercial aircraft of both parties.

### *Article VIII*

Offenses committed in the territory of one of the contracting parties by the personnel of the designated air carrier enterprises of the other contracting party shall be reported to the competent au-

thorities of such other contracting party by the party in whose territory the offense was committed. If the offense is of a serious character the competent authorities will have the right to request the withdrawal of the offending employee or employees of the designated air carrier enterprise. In case of a definite repetition of an offense, the withdrawal of the designated air carrier enterprise may be requested.

#### *Article IX*

In case either of the contracting parties considers it desirable to revise any of the routes set forth in Article I, it may request a consultation between the competent authorities of both contracting parties, such consultation shall begin within a period of sixty days from the date of the request. In case the aforementioned authorities mutually agree on new or revised conditions affecting Article I of this Agreement, their recommendations on the matter will come into effect after they have been confirmed by a protocol or an exchange of diplomatic notes.

#### *Article X*

(a) This Agreement shall come into force on December 2, 1944 and shall remain in force until it is terminated in accordance with the procedure established in paragraph (b) of this Article.

(b) Either of the contracting parties may, at any time, give notice in writing to the other contracting party of its desire to terminate this Agreement. Such notice of termination may be given by either party to the other party only after consultation between both parties for a period of at least ninety days. The termination shall be effective after three months from the date on which the said notice is given by one of the parties to the other.

## **Inquiries on American Citizens In the Vicinity of Brussels**

[Released to the press November 30]

The Department of State announces that the American Embassy at Brussels is prepared to receive inquiries and messages concerning the welfare and whereabouts of American nationals residing in the vicinity of Brussels. Inquiries should be forwarded to the Department of State. However, messages addressed to Americans in the Brussels area will be communicated to the Embassy

only in cases where the sender has been unsuccessful in attempting to use normal mail channels.

For the time being this service does not include inquiries or messages sent in behalf of aliens or persons not residing in the Brussels area.

## **Inquiries on American Citizens In the Vicinity of Marseille**

[Released to the press November 30]

The Department of State announces that the American Consulate at Marseille is prepared to receive inquiries and messages concerning the welfare and whereabouts of American nationals residing in the vicinity of Marseille. Inquiries should be forwarded to the Department of State. Messages for communication to Americans in that area may be accepted for transmission to the Consulate only in cases where the sender has been unsuccessful in attempting to use normal mail channels.

For the time being this service does not include inquiries and messages sent in behalf of aliens or persons not residing in the Marseille area.

## **Anniversary of the Independence of Albania**

### **STATEMENT BY ACTING SECRETARY OF STATE STETTINIUS**

[Released to the press November 28]

The Albanian people have contributed to the defeat of the common enemy by their courageous resistance to Axis aggression and occupation. They have sustained this uneven struggle for over five years. Patriot forces, in conjunction with Allied operations throughout the general Balkan region, have now expelled the German invader from the southern and central areas of the country and from the capital, Tirana. Today, on the thirty-second anniversary of Albania's independence, they are moving on to complete the work of liberation.

The Government and people of the United States hope that with the reestablishment of their freedom the Albanian people will turn in unity to the pursuits of peace and the tasks of reconstruction which lie ahead.

## Report by Joseph C. Grew on Recent Trip to Pearl Harbor<sup>1</sup>

[Released to the press November 28]

I have only recently returned from a week spent with Admiral Nimitz at Pearl Harbor. I have been in intimate touch with the war in the Pacific. That was an experience of the most intense interest and value, and I want to tell you very briefly the highlights of my impressions.

First, the Admiral and his officers radiate confidence. Their eagerness and determination would inspire every American as they inspired me. The precision, the harmony, and the broad vision of their organization are simply magnificent. Working in close cooperation with General MacArthur, they share his determination, expressed when he left Manila, to come back into the heart of the Philippines, and they are equally determined to carry the war right into the heart of Japan.

Second, the Admiral and his officers are highly gratified—I will not say satisfied, for no commander can ever be satisfied until he attains his final objectives—with the results already achieved. Look at the map and trace our magnificent advances since those dark days at Guadalcanal.

Third—and this is important—Admiral Nimitz knows that the road ahead will be hard and long. He is indulging in no wishful thinking, no false optimism. He knows that he has a tough, difficult job ahead of him, and he wants the full support of our people in bringing that job to a successful conclusion. On my return from Pearl Harbor I ask our people to give him that support. That does not mean passive support; it means active support, and you and I can give him that active support. I have bought war bonds, but I am going to buy more as a result of my visit to Pearl Harbor. I only wish I could inspire everyone who is listening tonight to do the same.

Now just a word about the conduct of the war in the Pacific. You know pretty well from the published reports how it has been going. You know of our territorial advances, of the staggering number of Japanese ships that have been destroyed by our planes and submarines, and of our inspiring naval successes in the battles off Formosa and in the Philippine Sea. The details have been published.

You have read of the bombing of Tokyo by our B-29's. I saw the Doolittle raid over Tokyo in

April 1942 and had been waiting and hoping for quite a while for the follow-up. The follow-up has come, and my guess is that it is going to continue with constantly increased intensity. But don't be misled by the popular idea that Tokyo and other Japanese cities are tinderboxes. It is true that many of the Japanese houses are built of wood and paper and are highly inflammable, but after the great earthquake in 1923 the Japanese built wisely and well, laying out their residential areas protected by broad intersecting boulevards, which under usual circumstances would cut short any great conflagration, and their fire-fighting organization is extraordinarily proficient. Furthermore, the great buildings in their business sections have been erected with the special purpose of withstanding the ravages caused by the great earthquake and fire of 1923. Tokyo will not be easily destructible. But those B-29's are concentrating on the Japanese war-production plants, and these, I feel confident, they will utterly destroy.

Still, do not let us minimize the extent and difficulty of the job ahead. Admiral Nimitz and General MacArthur are absolutely determined to see it through to its end, but let us make up our minds that it may be long and hard and costly before we are through.

Let me go back to my days in Japan. The Japanese, before Pearl Harbor, used to laugh at the idea of America fighting total war. They looked on us Americans as a decadent race, a pampered and effete people, who, they confidently believed, could never organize themselves and make the sacrifices necessary for the waging of total war, a people who lacked the grit and determination and stamina to fight through, regardless of cost and sacrifice, to final victory.

"This is the day of the totalitarian powers," my Japanese friends said. "Germany will win the war and will control all of Europe, while we shall put into effect our Co-prosperity Sphere in all of Great East Asia. Democracy is bankrupt. We," they added, "are prepared to lose ten million men. How many are you prepared to lose?" And they laughed in mirthless humor.

<sup>1</sup>Broadcast over the Columbia Broadcasting System on Nov. 28, 1944. Mr. Grew, former American Ambassador to Japan, is Director of the Office of Far Eastern Affairs, Department of State.

Well, I saw during my years in Japan what their co-prosperity sphere was to entail: A *Pax Japonica*, with Japan in economic and political control of every country in all East Asia; East Asia for the Japanese; and then, eventual control of these United States. Yes, that was their program.

Fellow Americans, there is one outstanding quality, among many others, that has made our country great, namely, our refusal to quit, our refusal to leave a job half done. If our pioneers hadn't possessed that quality in full measure, if they had been intimidated by danger and death, if they had been discouraged by the call for the very last ounce of their determination and grit, their stamina and staying power, if they had been tried and found wanting, our nation might never have come into the full glory of its flowering as it has today.

Once again, our people are called to the highest endeavor, to danger and death abroad, to the demonstration of our determination and grit, our stamina and staying power at home. Shall we be tried and found wanting? I do not think so. We cannot and certainly will not be untrue to our great heritage. So we must seize the opportunity that now presents itself in this Sixth War Loan drive once again to fortify ourselves for total war to final victory.

## Fellowships in Public Administration for Representatives from Other American Republics

### RESCISSION OF REGULATIONS UNDER TITLE 4, PART 250

The above regulations of the Bureau of the Budget, Federal Register May 6, 1944, page 4799 are hereby rescinded.

Hereafter, the above matter will be dealt with under the Department of State regulations published in the Federal Register of August 23, 1944, page 10243 as Title 22, Part 28, Code of Federal Regulations.

Issued this 8th day of November 1944.

HAROLD D. SMITH,  
*Director.*

Approved: November 23, 1944.

E. R. STETTINIUS, JR.,  
*Acting Secretary of State.*

## THE DEPARTMENT

### Furnishing of Information to the Congress and the Bureau of the Budget<sup>1</sup>

*Purpose.* The purpose of this instruction is to prescribe the procedure to be followed within the Department in furnishing to Congress information regarding proposed or pending legislation, as requested by the President through Bureau of the Budget Circular no. A-19, Revised August 1, 1944, and in furnishing the Bureau of the Budget with the official views of the Department regarding proposed Executive Orders.

1 *Proposed or pending legislation.* Bureau of the Budget Circular no. A-19, Revised requests all executive departments and establishments to furnish the Bureau of the Budget in advance with copies of the recommendations or reports regarding proposed or pending legislation intended for submission to Congress, a member of Congress, or any Congressional committee.

2 *Proposed Executive Orders.* From time to time the Bureau of the Budget requests an expression of the Department's views regarding proposed Executive Orders which have a relation to the Department's responsibilities and functions. This instruction indicates responsibility for the coordination and formulation of the Department's replies to such requests.

3 *Administrative clearance within the Department.* (a) The Department's advice on proposed or pending legislation, or Executive Orders, may concern several divisions and offices. The views of all the interested and responsible divisions must, therefore, be taken into account in formulating over-all Departmental recommendations, reports, and advice on such matters.

(b) There are listed in this Instruction the offices which have primary responsibility for analyzing and advising on proposed legislation or executive orders, coordinating the views of divisions whose functions may be affected, and obtaining advice from the Bureau of the Budget on the relationship of proposed legislation to the program of the President or furnishing that agency with

<sup>1</sup> Administrative Instruction, General Administration 12, dated and effective Nov. 28, 1944.

the Department's views on proposed executive orders.

(1) By Departmental Order 1218 of January 15, 1944, p. 4, the Assistant Secretary (A-L) is responsible "for all matters concerning the Department's relations with Congress, with the exception of matters relating to appropriations and the administration of the Department and the Foreign Service."

(2) The Legal Adviser is by the same Departmental Order responsible for advising on all matters of a legal character.

(3) The Office of the Foreign Service is responsible for analysis and advice on all matters affecting the Foreign Service of the United States, and the relations between the Foreign Service and other agencies.

(4) The Office of Departmental Administration is responsible for analysis and advice on the administrative implications of legislation and Executive Orders affecting the organization and administration of the Department and its relations with other agencies.

(5) The Budget Officer of the Department is responsible for analysis and advice regarding appropriations and all budgetary and fiscal matters.

(c) All matters concerning proposed or pending legislation or executive orders should be referred to the appropriate office, as listed above, for handling.

4 *Related Administrative Instruction.* Attention is directed to AI-CR3 of June 5, 1944 which outlines directions for the preparation of correspondence regarding proposed legislation.

JOHN ROSS  
Director,

*Office of Departmental Administration*

## Reinstatement of Returning Veterans With Reemployment Rights<sup>1</sup>

[Released to the press November 29]

*Purpose.* The purpose of this order is to define the Department's policy with respect to the reinstatement of returning veterans having reemployment rights.

*Background.* According to the provisions of the Selective Training and Service Act of 1940, as amended (54 Stat. 885), the Department is legally obligated to reinstate former employees who qual-

ify for reemployment. However, it is not only a legal but a moral obligation, which is fully recognized and which will be discharged with due regard to the spirit and intent of the law.

1 *Reinstatement of Veterans Having Reemployment Rights.* (a) Any former employee of the Department of State, whose appointment was other than temporary, who:

(1) Is on military furlough;

(2) Resigned for the purpose of entering the armed forces, and entered the military service with no intervening employment after the date of resignation from the Department;

(3) Transferred to a federal war agency; or was released and accepted immediate employment in an essential war industry, with reemployment rights in the Department, and subsequently entered the armed forces;

(4) Is now in the military service, receives an honorable discharge, and is able to perform the duties of a position;

shall be entitled to the reinstatement benefits indicated in paragraph 1(b).

(b) Veterans meeting the above qualifications shall be entitled to the following benefits:

(1) Reinstatement to any position to which he would have been promoted had he not been absent for military or naval service;

(2) Reinstatement to the position which he held at the time of his entry into the military or naval service;

(3) If neither of the above positions referred to exists, reinstatement to a position comparable as to seniority, status, and pay with the position which he held at the time of his entry into the military service.

(c) All reinstatements shall be made without loss of seniority rights or any other rights depending on length of service.

(d) Applications for reemployment are to be made to the Division of Departmental Personnel within forty days after separation from military service. Each applicant shall be reinstated to a job within thirty days from the date of his application.

2 *Responsibilities of Offices and Divisions in Providing Positions for Returning Veterans.* (a) The responsibility to provide positions for re-

<sup>1</sup> Departmental Order 1295, dated and effective Nov. 1, 1944.

turning veterans with reemployment rights rests with the directors of offices and chiefs of divisions.

(b) Preliminary procedures covering the reinstatement of such employees have been put into effect. The Division of Departmental Personnel is prepared to assist the offices and divisions in all phases of the veterans reemployment program and will be responsible for the initial interview, reemployment and effective placement of these employees. Also, this division has made a survey of the military and reemployment status of former employees now in the armed forces, and this information will be made available to all offices and divisions.

(c) In fulfilling this obligation, responsibility exists even though the functions of the returning veteran's former organizational unit may have been transferred to another office or division of the Department, or the unit, with its functions, may have been abolished.

(d) The Department is in a period of personnel expansion, which should provide an opportunity to plan for the reemployment of these returning veterans. The obligation to reinstate former employees who are eligible for reemployment shall be borne in mind in planning and fulfilling the Department's requirements for the recruiting of personnel.

E. R. STETTINIUS, Jr.  
*Acting Secretary*

## THE FOREIGN SERVICE

### Examination for Admission to the Career Foreign Service

Assistant Secretary Shaw<sup>1</sup> made the following announcement on November 24, 1944:

TO THE OFFICERS AND EMPLOYEES OF THE DEPARTMENT OF STATE AND THE FOREIGN SERVICE:

It has been decided to hold an examination for

<sup>1</sup>Chairman of the Board of Examiners for the Foreign Service.

admission to the career Foreign Service on March 9 and 10, 1945. This examination will be open to qualified and approved candidates who are in the employ of the Department of State or of the Foreign Service of the United States (including the Auxiliary) when certifications close forty days in advance of the examination date.

The written examination will consist of the following parts, to be given on 2 successive days, and will be held in Washington and at any post in the Foreign Service at which approved applicants may be found:

A First General Examination—that is, a test of ability to read with comprehension and reasonable speed.

A Second General Examination—that is, a test of comprehension of simple numerical relationships and the ability to make simple mathematical deductions.

A Third General Examination—that is, a test of accuracy of factual information and of vocabulary.

A Fourth General Examination—that is, a test of ability of expression in written English.

A First Special Examination—that is, a test of ability to read with comprehension French, German, or Spanish.

This examination has been devised for candidates who meet the requirements of the Department in respect to intelligence and education, but who have not had an opportunity for review or special study in preparation for the examination.

Candidates receiving a grade of 70 or higher in the written examination will be invited to appear for oral examination before the Board of Examiners for the Foreign Service on dates in June to be announced later. Candidates who can not conveniently report for oral examination in June may report for oral examination on dates in September to be announced later.

Candidates receiving an average of 80 or higher on the written and oral examinations, both counting equally, will be placed on the list of those eligible for appointment. In view of the current acute shortage of career Foreign Service officers, successful candidates may expect appointment with little delay. Appointments will be to an Unclassified grade in the Foreign Service at a sal-

ary between \$2,500 and \$3,400 per annum, to be determined by age, experience and qualifications. Appointees without previous field service will initially be assigned to the Department for a brief period of training before receiving field assignments.

Applicants, to be certified for the written examination, must—

(1) Be over 21 and under 35 years of age, except that Vice Consuls and employees of the Foreign Service shall be eligible until they reach the age of 45, provided they were appointed to the Service before they reached the age of 35 years;

(2) Have been a citizen of the United States for at least 15 years before date of certification for appointment (22 U.S.C. 5);

(3) Not be married to an alien (F.S.O. 114, February 29, 1940).

In as much as this examination is open to employees of the Department and of the Foreign Service only, the usual form of application with endorsements will not be required. Eligibility for certification will be determined so far as possible from personnel records.

Application for certification shall be made in writing or by airgram to the Division of Foreign Service Personnel, Department of State.

Further details will be announced at an appropriate time.

In the near future a meeting will be arranged at which the Chiefs of the Divisions of Foreign Service Personnel and Departmental Personnel will be prepared to answer any questions that prospective candidates may wish to ask.

G. HOWLAND SHAW

## Confirmations

On November 24, 1944 the Senate confirmed the nomination of Jefferson Caffery to be American Ambassador to the *de facto* French Authority.

On November 30, 1944 the Senate confirmed the nomination of Patrick J. Hurley to be American Ambassador to China.

## PUBLICATIONS

### DEPARTMENT OF STATE

Conference at Bretton Woods Prepares Plans for International Finance. By John Parke Young. Conference Series 57. Publication 2216. 30 pp. 10¢.

### OTHER GOVERNMENT AGENCIES

Events Leading up to World War II: Chronological History of Certain Major International Events Leading up to and During World War II With the Ostensible Reasons Advanced for Their Occurrence, 1931-1944. 78th Cong., 2d sess., H. Doc. 541. iv, 421 pp. 50¢.

Seventeenth Report to Congress on Lend-Lease Operations, Message From the President of the United States Transmitting the Seventeenth Report to Congress on Lend-Lease Operations. 78th Cong., 2d sess., H. Doc. 764. 35 pp., tables, charts.

The articles listed below will be found in the December 2 issue of the Department of Commerce publication entitled *Foreign Commerce Weekly*, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Swiss Chemical Industries: Highlights of Recent Developments", by Walter H. Sholes, consul general, American Consulate, Basel, Switzerland.

"Main Aspects of Cuba's Graphic Arts Industries", by Thomas S. Campen, assistant commercial attaché, American Embassy, Habana.

## LEGISLATION

Amending Section 327 (h) of the Nationality Act of 1940. H. Rept. 1925, 78th Cong., on H.R. 4981. 2 pp. [Favorable report.]

Amending Section 342 (b) of the Nationality Act of 1940, Waiving Certain Fees for Members of the Armed Forces. H. Rept. 1926, 78th Cong., on H.R. 5465. 3 pp. [Favorable report.]

Correcting an Error in Section 342 (b) (9) of the Nationality Act of 1940, as Amended. H. Rept. 1927, 78th Cong., on H. J. Res. 316. 1 p. [Favorable report.]

Amending Section 28 (c) of the Immigration Act of 1924 in Order To Bring the Definition of That Term Current. H. Rept. 1928, 78th Cong., on H.R. 5156. 3 pp. [Favorable report.]

Amending the Law Relating to the Authority of Certain Employees of the Immigration and Naturalization

Service To Make Arrests Without Warrant in Certain Cases and To Search Vehicles Within Certain Areas. H. Rept. 1929, 78th Cong., on H.R. 5464. 3 pp. [Favorable report.]

Amending Section 401 (a) of the Nationality Act of 1940 so as To Preserve the Nationality of Certain United States Citizens Who Have Been Unable To Return to the United States. H. Rept. 1930, 78th Cong., on H.R. 5496. 3 pp. [Favorable report.]

Amending Section 201 (g) of the Nationality Act of 1940. H. Rept. 1931, 78th Cong., on H.R. 5513. 3 pp. [Favorable report.]

ACHESON—*Continued from page 662*

licable. Whether the machinery will work will depend mainly upon the economic policies which the nations of the world are willing to follow. The major contribution which the United States can make to the effectiveness of this machinery and to its own prosperity is the adoption of policies designed to facilitate its participation in world trade and finance in a manner commensurate with its power and responsibility.

THE DEPARTMENT OF STATE  
BULLETIN

VOL. XI, NO. 285

DECEMBER 10, 1944

*In this issue*

NOMINATIONS FOR UNDER SECRETARY OF STATE AND  
ASSISTANT SECRETARIES OF STATE

RESUMPTION OF PRIVATE TRADE IN LIBERATED AREAS:  
A PROGRESS REPORT ON THE WORK OF THE SPECIAL  
ECONOMIC MISSION

*Article by Donald S. Gilpatric*

LIMITATION OF THE PRODUCTION OF OPIUM

*Article by George A. Morlock*



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*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

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# Nominations for Under Secretary of State and Assistant Secretaries of State

*Statement by* THE PRESIDENT

[Released to the press by the White House December 4]

I have today sent to the Senate the nomination, for the important post of Under Secretary of State, of the Honorable Joseph C. Grew of New Hampshire.

I have also sent to the Senate nominations to fill three posts of Assistant Secretary of State made vacant by the resignations of the Honorable Adolf A. Berle, Jr., the Honorable Breckinridge Long, and the Honorable G. Howland Shaw. I have accepted these resignations with great regret. All three have rendered outstanding service to the country in the posts which they have filled with great distinction. Mr. Berle remains as the head of the American Delegation to the Civil Aviation Conference, the proceedings of which he has conducted with skill and ability.

The Honorable Dean Acheson, of Maryland, will continue as Assistant Secretary of State. Mr. Acheson will have general responsibility for all matters concerning the Department's relations with the Congress and will assume important duties in connection with our participation in international conferences.

The nominations to fill the vacancies are: Joseph C. Grew, William L. Clayton, Archibald MacLeish, and Nelson Rockefeller.

The Honorable William L. Clayton, of Texas, to be Assistant Secretary of State in charge of foreign economic affairs. Mr. Clayton, at Mr. Stettinius' request, will report directly to me on the matters pertaining to civil aviation after completion of the Civil Aviation Conference in Chicago.

The Honorable Nelson A. Rockefeller to be Assistant Secretary of State in charge of relations with the American republics. Mr. Rockefeller will resign as Coordinator of Inter-American Affairs. No successor to that Office will be appointed as Mr. Rockefeller will continue to direct the policies of the Office during the time necessary to integrate the programs of the Office into the permanent structure of the Government and to terminate the strictly wartime activities of the organization as war conditions permit.

The Honorable Archibald MacLeish, of Virginia, to be Assistant Secretary of State in charge of public and cultural relations.

Other appointments strengthening the State Department will be made in the near future.

I intend soon to send to Congress the nomination of the Honorable Norman Armour to an important diplomatic post abroad.

On December 8, 1944, the President sent to Congress the following nominations for two additional Secretaries of State: James C. Dunn of New York and Brigadier General Julius C. Holmes, United States Army, of Kansas.

# Statements Before the Senate Foreign Relations Committee

*Statement by THE SECRETARY OF STATE*

[For release to the press December 12]

MR. CHAIRMAN<sup>1</sup> AND MEMBERS OF THE COMMITTEE:

May I, first of all, express my deep appreciation for the generous confidence which this Committee and the Senate placed in me when confirming my nomination by the President as Secretary of State. I assume the duties of this office with a full realization of the grave responsibilities that have now passed to me in this challenging period of our history. I am strengthened for the task by the example of my predecessor, Cordell Hull—who is one of the truly great statesmen of our times and whose principles and objectives will continue to be guiding posts for our foreign policy in the days ahead. It was one of the most inspiring experiences of my life to serve under Cordell Hull during the past year, and I hope and believe that his health will soon permit me to have the continuing benefit of his wisdom and counsel in the days ahead.

The task before our country is a very great one. Together with the other United Nations we must carry through to complete and final victory the great war in which we are now engaged. Together with the other United Nations we must, at the same time, continue building the foundations of a secure and lasting peace in which there will be wider freedom and opportunity for our own people and for all peoples. This is a task which can be accomplished only in full cooperation with the Congress and with the participation, understanding, and support of the whole American people.

In the months and years ahead, the United States will have far greater responsibilities in world affairs than ever before in our history. We have great moral and material power, which we must exercise in the long-range mutual interests of our own people and of the peoples of other nations.

Our major objectives may be stated very briefly, as follows:

(1) The fullest possible support in the conduct of our foreign relations for our armed forces, so that the war may be won at the earliest possible moment.

(2) Effective steps to prevent Germany and Japan, after victory by the United Nations, from again acquiring the power to wage aggressive war.

(3) Establishment at the earliest possible moment of a United Nations organization capable of building and maintaining the peace—by force if necessary—for generations to come.

(4) Agreement on measures to promote a great expansion of our foreign trade and of productiveness and trade throughout the world, so that we can maintain full employment in our own country and—together with the other United Nations—enter an era of constantly expanding production and consumption and of rising standards of living.

(5) Encouragement of all those conditions of international life favorable to the development by men and women everywhere of the institutions of a free and democratic way of life, in accordance with their own customs and desires.

These are the major objectives toward which the Department of State is working, under the President's direction and in close cooperation with the Congress. We shall not achieve them overnight. Their achievement will require months and years of constant and effective work by all of us.

With the wise guidance of Cordell Hull we have made a beginning on these tasks. But we have much more to do, and we have no time to lose.

Among our first requirements is to build up the strength of the Department of State so that it will be able to meet the much heavier responsibilities which it must from now on assume. We need a State Department which can carry out in the interests of the United States a liberal and forward-looking foreign policy with level-headed and businesslike effectiveness. That is the kind of a Department of State we all desire.

During the past year, the first steps have been taken to strengthen the Department. We have improved our organization and have brought in new men to work with the existing staff. Now that the Congress has approved creation of two additional posts of Assistant Secretary of State, we are ready to take further steps in this direction.

Our plan calls for six Assistant Secretaries of State in addition to the Secretary and the Under Secretary. The operations of the Department will

<sup>1</sup>The Honorable Tom Connally, of Texas.

be regrouped under these Assistants, and this new organizational framework will then make possible further strengthening of the Department down the line on a continuing basis. However, we cannot carry through this program until the men who will work on it with me are established in office.

At your invitation, the team which the President and I have chosen to assist me in directing the Department of State is with me here today. The nominations of six of them are now before you for confirmation. I welcome this opportunity to present them to you and to discuss with you their qualifications for the positions to which they have been nominated. Each of them is, in my opinion, wholly qualified by character, experience, and abilities for the responsibilities he has been asked to assume. Each of them, I believe, whole-heartedly supports the principles and objectives of the foreign policy of the United States as they have been expressed by the President, by Mr. Hull, and by the Congress.

Our choice for Under Secretary of State is the Honorable Joseph C. Grew. He has devoted 40 years to serving our country with great distinction and honor in the conduct of our foreign relations in all parts of the world. He has served three years as Under Secretary of State and nine years as Ambassador to Japan. He knows at first hand both Fascism and aggression and hates them both. As Under Secretary he would be a strong right arm in the tasks of building now for a more democratic world after victory and of making peace secure.

Under our reorganization plan, Dean Acheson, who has served the Department with distinction as Assistant Secretary of State for the past four years, will continue in that capacity, but with a new assignment. I want to tell you about it, even though his name is not before you for confirmation. He will be in charge of congressional relations and international conferences. He will seek to keep the Congress currently informed of all developments in our foreign relations and generally to maintain the strongest and closest possible working relationship between the Department, the Foreign Relations Committee, and other committees of Congress. I regard this as of the utmost importance, and I know that you will agree with me that Mr. Acheson is ideally suited to the task. His responsibility in connection with international conferences is a new departure and is made necessary both by the greatly increased importance to

us of our participation in international conferences and by the imperative need of keeping in close touch at all stages in the work of these conferences with the members of Congress.

The geographical divisions of the Department will be regrouped, under the reorganization plan, under two Assistant Secretaries of State—one for all countries except the Americas, and the other for American republics affairs. For the first position the President has nominated James C. Dunn and for the second Nelson A. Rockefeller.

Mr. Dunn was one of Mr. Hull's most valued lieutenants in the State Department throughout his 12 years as Secretary of State. He served as his Special Assistant, as Adviser on Political Relations, and as Director of the Office of European Affairs. He was Mr. Hull's political adviser at Moscow, when the Moscow Four Nation Declaration was agreed upon. In the work of preparing for and carrying through to success the Dumbarton Oaks conference Mr. Dunn was of great value to me. I have the highest confidence in his ability to fill the post of Assistant Secretary with distinction and with benefit to our country.

Mr. Rockefeller has served as Coordinator of Inter-American Affairs since 1940. Before that he was president of Rockefeller Center in New York. As Coordinator, Mr. Rockefeller has done much in the past four years to develop better understanding and closer relations among the American republics, in support of the good-neighbor policy and of the war effort. He knows intimately both the governments and peoples of our neighbor republics. As Assistant Secretary of State he would be, I believe, unusually well qualified by a combination of experience, energy, and judgment to contribute much to further strengthening of inter-American relationships in the days ahead.

For the post of Assistant Secretary of State in charge of foreign economic affairs the President has nominated William L. Clayton. Before entering the Government in 1940 Mr. Clayton had been engaged for more than 25 years in the cotton business in many parts of the world. He has thus had a long business experience in foreign trade. Since 1940 he has served the Government with distinction, as Deputy Federal Loan Administrator, then as Assistant Secretary of Commerce, and finally as Surplus War Property Administrator. He was a member of the United States Delegation at the Food and Agriculture Conference at Hot Springs.

He has worked closely with the Department on many matters involving foreign economic affairs. I believe he would bring to the Department great executive ability, practical experience, and whole-hearted support for the liberal economic objectives of our foreign policy.

The post of Assistant Secretary of State in charge of public and cultural relations is a new one in the Department. It covers current activities and future problems of great importance to our foreign relations. To this position the President has nominated Archibald MacLeish, Librarian of Congress since 1939. I believe that the new problems involved in making a secure peace require that much fuller information about United States foreign policy should be made available through the established press, radio, and other media both to the people of this country and the people of other countries. I also believe that further advances in the cooperative exchange of scientific, technical, and professional knowledge among all peoples and the promotion of freedom of information throughout the world are of equal importance for the same reason. Mr. MacLeish has been a soldier, lawyer, editor, writer, and—as Librarian of Congress—a proven executive, whose experience and abilities ideally qualify him in my opinion to take up these responsibilities under my direction.

For the other Assistant Secretaryship, the President has named Brigadier General Julius C. Holmes. He would be in charge of administration and management for the Department of State and the Foreign Service. General Holmes was in the Foreign Service and the State Department from 1925 to 1937, when he entered private business. In this war he has served with General Eisenhower in the Mediterranean Theater and on the European continent. He is now Deputy Chief of Staff for Civil Affairs in the European Theater. General Eisenhower and the War Department have reluctantly consented to release him for this highly important task. I look forward to an invigorated and enlarged Foreign Service and Department of State in which there will be new and greater opportunities for able men from all walks of life to serve their country, including returning members of the armed forces, whose experience we

shall need in the field of foreign relations after the war. General Holmes has been chosen in order to carry forward under my direction the strengthening of the Department and the Foreign Service toward these objectives.

With your approval, I have been given the responsibility of running the Department of State under the President's direction. These are the men whom the President and I have chosen to assist me in that job. They have been chosen only for the abilities which we believe they can contribute to the work of the State Department and to the conduct of a progressive and vigorous foreign policy which will express as nearly as possible the will of the whole American people.

They are here today to speak for themselves and to answer any questions that you may care to put to them.

We have a tremendous job ahead. I am naturally anxious to put into effect as rapidly as possible the program for reorganizing and strengthening the Department of State. The war will not wait, nor should we delay in carrying forward the planning essential for the peace. We must move effectively and rapidly now to meet our responsibilities to the men in our armed forces and to their families.

But I also believe that it is only by understanding each other and working together that we can achieve that unity, based on the democratic processes of give and take, which is one of the fundamental strengths of our country. This hearing is a part of our democratic processes at work. In that spirit these men welcome the opportunity to appear here, as I do.

**Statement by JOSEPH CLARK GREW**

[For release to the press December 12]

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I have served the Government of my country for forty years wherever it chose to send me. When the President and the Secretary asked me to undertake the duties of Under Secretary of State I placed myself entirely at their disposal. The duties to which I have been assigned are arduous and slogging. I know this because I performed them for three years twenty years ago. I am no longer a young man, but so long as I can

serve I shall do so wherever I can be of use. I am happy to serve in this post for the following reasons:

First, because my country is at war.

Second, because I believe in the President, I highly admire the grit and vision with which he has been and is conducting the war, and I heartily support his determination that effective machinery shall be erected to insure future international peace and security.

Third, because I believe in Mr. Stettinius and am profoundly happy to follow his dynamic and inspiring leadership. He is "the man who gets things done".

Fourth, because the job of Under Secretary is a very different proposition from twenty years ago. Now a new and liberal pattern is emerging. A newspaper sketch of me—presumably based on the thought that, like the late George Apley, I hail from conservative elements in New England—said that I am "inhospitable to change." Well, if I were inhospitable to change, I would certainly not have been asked or have been willing to join this team. I think that this new pattern is going to commend itself to the Congress and to our people. The world is in flux and malleable. It can be a better world and we shall try to make constructively helpful our contribution toward building it anew.

Fifth, because I want to see the work begun at Dumbarton Oaks carried through to a successful conclusion and, with your help, we intend to do it. No work in the world can be of greater importance.

This is all, Mr. Chairman.

**Statement by WILLIAM LOCKHART CLAYTON**

[For release to the press December 12]

In appearing before the Senate Committee on Foreign Relations for examination regarding my fitness to serve as Assistant Secretary of State for economic affairs, I wish to make a brief preliminary statement which may clear up some questions at once and save the Committee's time.

I was one of the organizers of the cotton merchant firm of Anderson, Clayton & Company in 1904 and, with the exception of a short period in the first World War, was continuously in that business until August 1940. At that time I re-

signed as chairman of the board of Anderson, Clayton & Company to enter Government service, first with Nelson Rockefeller, Coordinator of Inter-American Affairs, then as Deputy Federal Loan Administrator, then as Assistant Secretary of Commerce, to which position I was appointed by the President and confirmed by the Senate.

I resigned as Assistant Secretary of Commerce in February 1944 to become Surplus War Property Administrator, under Executive Order 9425.

On October 3, 1944, I resigned as Surplus War Property Administrator, effective when the new Surplus Property Board takes office.

It has been suggested by some persons that I am a believer in cartels.

Nothing could be farther from the truth.

My commercial experience has been confined to the cotton business. The merchandising of raw cotton is known to be one of the most highly competitive businesses in the world.

Webster defines a cartel as "A combination of separate firms to maintain prices above a competitive figure."

The nature of the cotton merchandising business excludes any such arrangements.

Numerous investigations by the Committee on Agriculture of the Senate and the Federal Trade Commission have failed to disclose collusive practices in the cotton merchandising business.

That there are no such practices is further evidenced by the fact that net profits in the business over a long period of years have been only 1 to 1½ percent of the dollar volume.

Having been brought up in this school of hard, keen competition, and liking it, I early formed a strong antipathy, in principle, to cartels.

I quote as follows from a speech I delivered at the Harvard Tercentenary Celebration in 1936:

"Agreements between competitors to curtail production or fix prices, with or without Government sanction, are to be condemned on economic grounds."

There is a good deal of confusion in our thinking in this country on the subject of cartels.

We are inclined to denounce cartels on what we buy and favor them, although under a different name, on what we sell.

A cartel smells the same to me by whatever name it may be called or for whatever commercial purpose it may be organized.

If international agreements are entered into between governments in respect of some commodities in which burdensome surpluses have resulted from the war and other causes, the consuming countries should participate in the formation and administration of such agreements; the agreements should be temporary in character and should contemplate as their principal objective the shifting from inefficient to efficient production.

The Committee may wish to know my views on other international economic questions.

For many years, I have been an ardent, outspoken, and consistent advocate of Cordell Hull's philosophy regarding international economic matters.

May I quote two paragraphs from a speech which Secretary Hull delivered on April 9, 1944:

"Along with arrangements by which nations may be secure and free must go arrangements by which men and women who compose those nations may live and have the opportunity through their efforts to improve their material condition. . . . we will fail indeed if we win a victory only to let the free peoples of this world, through any absence of action on our part, sink into weakness and despair.

"The heart of the matter lies in action which will stimulate and expand production in industry and agriculture and free international commerce from excessive and unreasonable restrictions. These are the essential prerequisites to maintaining and improving the standard of living in our own and in all countries. Production cannot go forward without arrangements to provide investment capital. Trade cannot be conducted without stable currencies in which payments can be promised and made. Trade cannot develop unless excessive barriers in the form of tariffs, preferences, quotas, exchange controls, monopolies, and subsidies, and others, are reduced or eliminated. It needs also agreed arrangements under which communication systems between nations and transport by air and sea can develop. And much of all this will miss its mark of satisfying human needs unless we take agreed action for the improvement of labor standards and standards of health and nutrition."

I unreservedly subscribe to this thesis!

Now, may I say a word regarding the operations of Anderson, Clayton & Company which have been mentioned in some quarters in connection with my nomination to be Assistant Secretary of State.

The capital, surplus, and undivided profits of Anderson, Clayton & Company is now a little over 50 million dollars, of which members of my family and I own approximately 40 percent.

My only connection with the company is as stockholder. I have not attended a stockholders' meeting since resigning as chairman of the board in August, 1940, in fact, have not been back to my home in Houston, Texas, since March 1941.

Anderson, Clayton & Company has offices throughout the cotton belt and cotton-consuming centers of the United States, and maintains branch offices or agencies in the principal cotton-consuming countries of the world.

The company also operates, through subsidiaries, in the following foreign cotton-producing countries: Mexico, Peru, Argentina, Paraguay, Brazil, Egypt.

The present book value of the company's fixed assets in these countries is about 10 million dollars.

Anderson, Clayton & Company has never owned any fixed assets or investments of any kind in Japan or Germany, although for many years prior to the war the company maintained sales agencies in both countries. The company also for many years did a very large business with Russia; was one of the first American firms to establish business relations with the Soviet Government after the revolution, long before recognition of that Government by the United States Government; and one of the few firms in the world to extend them substantial credits in those early days.

At the outbreak of the war between Germany, France, and England, about September 3, 1939, Anderson, Clayton & Company discontinued business with Germany and so instructed all its foreign subsidiaries.

The company and its subsidiaries made no sales to Japan for some time prior to Pearl Harbor.

Some persons apparently fear that my business interests abroad may influence my opinions and actions in the economic affairs of the United States Government.

The only answer I know how to make to this is to say that if any Senator believes that my own foreign interests would prevent me from taking an objective and patriotic position with reference

to the interests of my country, I would expect him to vote against my confirmation.

I merely want to add that I am glad this hearing is an open one and that I freely invite any question regarding my private or public acts which may have any bearing, even though remote, on my fitness to serve in the position to which I have been nominated by the President.

**Statement by JAMES CLEMENT DUNN**

[For release to the press December 12]

The Department of State is not new to me. In fact, after two years as a naval officer in the last war, I have served 25 years either in the Foreign Service or in the Department. After Mr. Hull became Secretary, I served as Special Assistant to him, as Adviser on Political Affairs, and as Director of the Office of European Affairs. I was adviser to Mr. Hull at the Moscow Conference. No one serving under Secretary Hull could fail to become imbued with his faith in this country and in its constructive influence in world affairs.

These have been trying years, years which have seen much evil and suffering. But they have also brought new strength and a toughened moral fiber to the people of this country and to free peoples everywhere. Free men whose liberty has temporarily been lost or threatened gain new strength and determination to safeguard it in the future.

In our democracy the basic determination of foreign policy rests with the people. Foreign policy is and must be a living thing; it is the process of dealing with a constant succession of new developments in the light of our fundamental principles and interests.

After the complete defeat of our enemies all necessary measures, however rigorous, must be taken to prevent their being able to make war again. Meanwhile, our national interest requires that we encourage the establishment of strong democratic governments in liberated countries. Our security and welfare will be best served by having in other countries liberal governments which will be dedicated, as we are, to improving the standards of living of their peoples and to creating the atmosphere and conditions conducive to the preservation of peace and security. We look forward to the development in other countries of freedom, of increased opportunities, and improved social welfare of their people.

I am deeply conscious of the new responsibilities which the President and Mr. Stettinius have asked me to assume.

Shortly before Secretary Hull started for Moscow, Mr. Stettinius came to the Department of State as his principal assistant. I was one of his advisers at Dumbarton Oaks and I have seen at first hand his skilled leadership and his deep sense of the importance of the task and of the responsibilities which lie ahead.

Public office today, especially in the field of foreign relations, carries a heavy responsibility. The President and the Secretary of State are devoting themselves to the advancement of the interests of the American people and the establishment of peace and security. So long as I can be of use in any capacity in carrying out the policies laid down by the President, Mr. Hull, and Mr. Stettinius, I shall consider it a duty and an honor to do so.

**Statement by ARCHIBALD MACLEISH**

[For release to the press December 12]

The President and the Secretary of State have done me the honor to nominate me for the position of Assistant Secretary of State in charge of public and cultural relations. I assume the Committee would like to know how I see the duties of the position and on what principles I would expect to perform them.

Since the position is a new one in the Department, I should like to go into these questions, with the Committee's permission, a little more fully than might be necessary in the case of positions the duties of which are already established.

As I understand the Secretary's wishes, the duties of the Assistant Secretary in charge of public and cultural relations are to be of two kinds: first, to direct the information policies and activities of the Department at home and abroad; and, second, to direct the Department's activities in connection with what has been called "cultural cooperation"—which means, in plain English, the Department's activities in connection with the exchange with other countries of scientific, technical, artistic, literary, and professional knowledge.

The duties of the position so far as information at home is concerned require, I think, no comment. Mr. Hull, in his great speech of April 9, defined the foreign policy of the United States as "the task of focusing and giving effect in the world outside our borders to the will of 135 million people." This will remain, I venture to think, the

classic definition of a democratic foreign policy. Its implication, as regards the duty of the Department in information matters, is obvious. To focus and give effect to the will of 135 million people, it is necessary that the people should have access to information on the basis of which they can shape their will. Unless the people are aware of the nature of the problems their government is contending with in the field of foreign relations they cannot reach conclusions of their own, and if they cannot reach conclusions of their own the democratic foreign policy which Mr. Hull defined cannot be realized. It is the duty of the Department, therefore, to make available to the people, through the channels of public communication which now serve them, the information they require.

In addition to his responsibility for information policy and activities at home, the Assistant Secretary in charge of public and cultural relations will be responsible, as I understand it, for the Department's activities in furnishing information about the American people abroad and, in particular, about their life and civilization—their arts, sciences, professional and educational interests, advances in health, in agriculture, in industry—in brief, their activities and accomplishments as a nation.

The introduction of these responsibilities into the Department under Secretary Hull, and the decision of Secretary Stettinius to assign them to an Assistant Secretary, is a reflection of the Department's recognition of the basic change in the relation of peoples to each other which the modern development of the art and technique of communications had brought about. Prior to the development of the modern newspaper with its rapid foreign correspondence, the modern radio with its instantaneous communication with all parts of the earth, the airplane which carries persons and publications from one continent to another in a matter of days and even hours, the motion picture with its world-wide dissemination—prior to these developments, the foreign relations of peoples were largely confined to relations between governments through diplomatic representatives.

Today, whole peoples are in direct and continuing contact with each other through day-to-day and even hour-by-hour exchanges of ideas, news dispatches, magazine articles, books, broadcasts,

persons, works of art—all the innumerable instruments of modern communication. The result is that the attitudes of entire peoples, and particularly their attitudes toward each other, become major influences in foreign relations. It would not be too much to say that the foreign relations of a modern state are conducted quite as much through the instruments of public international communication as through diplomatic representatives and missions.

This development imposes a new responsibility upon government. The day-to-day, hour-by-hour contact of the peoples of the world offers a better hope than the world has ever had before for the creation of mutual understanding and therefore of mutual confidence and therefore of enduring peace. But it offers, at the same time, greater danger of international misunderstanding and suspicion. If the closer communications with each other of the peoples of the world are to result in mutual understanding, they must provide the full exchange of information and of knowledge upon which understanding rests.

The necessity of seeing to it that the full exchange is made—that the whole story of a people's character, its arts, its sciences, its national characteristics, is truly told—is a necessity which no modern government can, or would wish to, evade. This does not mean that the job is a job government should attempt to do itself. Clearly, no government can accomplish that tremendous labor, and no democratic government should try to undertake it. All the various instruments of communication—press, radio, motion picture, book publishing, works of art—must and will play their part. Those who direct the great instruments of communication in this country are fully aware of their responsibility in this matter. The American Society of Newspaper Editors has recently declared its conviction, "that complete friendship with any other sovereign power is dependent, among other considerations, on the freedom, the abundance, and exchange of information between people". Officers of the great news-gathering agencies have also expressed their sense of the importance of the right to secure and disseminate news internationally. Government's responsibility is not to do the job itself—not to supplant the existing instruments of international communication. Government's responsibility is to see to its

that the job gets done and to help in every way it can to do it.

These, as I see it, are the essential duties of the position for which I have been nominated. The principles which would control my performance of these duties are the principles of freedom of the press and freedom of the exchange of information. The right to a free press—the right of the people to read and to hear and therefore to think as they please—is, I deeply believe, the basic right upon which freedom rests. Freedom of exchange of information between the peoples of the world is the extension into international relations of the basic democratic right of freedom of the press. Belief in the freedom of exchange of information rests upon the conviction that if the peoples of the world know the facts about each other, peace will be maintained, since peace is the common hope and the common cause of the people everywhere.

I should consider it a very great honor to work under Mr. Stettinius toward the accomplishment of the ends of full information to the people of this country and free exchange of information between the peoples of the world in which he so deeply believes.

In closing, I should like to express my profound appreciation of the generous and unflinching support three Congresses have given me in my work as Librarian of Congress. I have looked forward, as many members of Congress have looked forward, also, to the future of an institution which is already the largest library in the world and which, with the continuing Congressional support on which it has always been able to rely, may shortly become the greatest. I have resigned my position as Librarian of Congress only because it is my deep conviction that the work of the position to which I have been nominated is work of the greatest potential importance to the public service.

#### **Statement by NELSON ALDRICH ROCKEFELLER**

[For release to the press December 12]

The President has done me the honor of nominating me to the position of Assistant Secretary of State and in so doing has defined my responsibility to be in charge of relations with the American republics.

In agreeing to accept this nomination I was guided, first, by my abiding belief in the good-neighbor policy enunciated by the President and so ably and effectively developed by Secretary Hull. They have charted a course for cooperative action among the free nations of this hemisphere, which has proved to be a great source of strength in these war years and which is indispensable to our future security and well-being;

Secondly, by the fact that the Congress and the people of the United States have looked with favor on the program and given it their support;

Thirdly, by my faith in and respect for Secretary of State Stettinius. His broad vision and forward-looking point of view will provide the leadership which will make possible the carrying forward of these objectives during the difficult days that lie ahead;

Fourthly, by the loyalty and devotion to their country of the Foreign Service officers of the United States with whom it has been my privilege to be associated during the past four and a half years as Coordinator of Inter-American Affairs.

In recent years relations among the American republics have moved toward broader contacts among the peoples. The people of these republics realize increasingly that their best interests are inseparably interwoven with those of their neighbors.

These are days that call for complete honesty and straightforward dealing, a frank facing of our common problems, the working out together of solutions which reflect the mutual best interests of all.

Democracy must be felt throughout this hemisphere as a dynamic force which is constantly working for the security, well-being, and future opportunity of the peoples of the Americas.

Because of my deep conviction of the importance of the unity of the hemisphere to the future of our country, if confirmed I will be happy to accept the responsibility of Assistant Secretary of State charged with the formulation and conduct of United States policies affecting our relations with the other American republics within the lines of foreign policy laid down by the President, the Secretary of State, and the Congress. In so doing, I am fully conscious, as a result of my four years as Coordinator, of the complexity and difficulty of the responsibilities which it will entail.

# Resignation of Adolf A. Berle, Jr., as Assistant Secretary of State

## EXCHANGE OF MESSAGES BETWEEN MR. BERLE AND THE PRESIDENT

[Released to the press December 4]

The text of a telegram from Adolf A. Berle, Jr., to the President follows:

DECEMBER 3, 1944.

PRESIDENT FRANKLIN D. ROOSEVELT,  
*The White House.*

With this my resignation go my most cordial good wishes to you, to Secretary Stettinius, and to the new group who are now to take over in the Department of State.

Let me take this opportunity to thank you for your many kindnesses to me during the past twelve years in which I have been connected with your administration, namely, seven of which have been spent as Assistant Secretary of State under the leadership of Secretary Hull. Particularly, I must thank you for your offering me the important post. This can be considered when I return from Chicago.

With warm personal regards, I am,  
Faithfully yours,

ADOLF A. BERLE

The reply of the President to Mr. Berle follows:

DECEMBER 4, 1944.

DEAR ADOLF:

It is with great regret that I accept the resignation you sent to me by telegram yesterday as an Assistant Secretary of State, a post which you have filled with such distinction during the past seven years. I expect you, of course, to continue as Head of the United States Delegation to the Civil Aviation Conference, the proceedings of which you have conducted with such skill and ability. As

you suggest, upon your return from Chicago, we can discuss the new work which I am anxious for you to undertake and in which I especially need your outstanding abilities.

You and I have been friends and have worked together for a long time, and I am eternally grateful to you for your never-flagging loyalty and co-operation.

Sincerely yours,

FRANKLIN D. ROOSEVELT

The Honorable ADOLF A. BERLE, JR.,  
*Chairman of the American Delegation of the  
International Civil Aviation Conference,  
Stevens Hotel, Chicago, Illinois.*

## TELEGRAM FROM THE SECRETARY OF STATE TO ADOLF A. BERLE, JR.

[Released to the press December 5]

HONORABLE ADOLF A. BERLE, JR.,  
*International Civil Aviation Conference,  
Chicago, Illinois.*

My deep regret at your resignation as Assistant Secretary of State is tempered by the hope that after the termination of the Civil Aviation Conference in Chicago you will see your way clear to accept the very important assignment offered you by the President. In the meantime, however, please let me tell you how greatly we all appreciate the real and lasting contribution you have made during these past seven years in the formulation and carrying out of our foreign policy. The country owes you gratitude in full measure for your outstanding service. I have particularly valued our personal relationship.

With warm personal regards and best wishes,

E. R. STETTINIUS, JR.

# Resignation of Breckinridge Long as Assistant Secretary of State

## EXCHANGE OF MESSAGES BETWEEN MR. LONG AND THE PRESIDENT

[Released to the press December 4]

The text of a message from Breckinridge Long to the President follows:

NOVEMBER 11, 1944.

MY DEAR MR. PRESIDENT:

Especially after this election you are entitled to an entirely free hand. Your responsibilities in the future are to be very heavy and you should have full freedom of choice to select the persons you now think will best help you in discharging those responsibilities and best serve you in achieving your new purposes.

For these reasons I place my resignation at your disposal.

It is a great honor to have been identified with your administration and a matter of very real interest to have served under you.

I continue my active and loyal support of you and for your objectives. Consequently the presentation of my resignation is not indicative of a desire to seek inactivity but simply to support your untrammelled freedom of choice.

With great respect and with expression of affectionate regard, I am

Most sincerely,

BRECKINRIDGE LONG

The reply of the President to Mr. Long follows:

DECEMBER 4, 1944.

DEAR BRECK:

It was with deep regret that I received your letter of resignation as Assistant Secretary of State and the subsequent reports you gave me

regarding your health. I hope that after a period of rest and recuperation you will be ready once more for public service either at home or abroad.

I wish to express my sincere appreciation of the splendid and untiring assistance you have rendered to me and to the Secretary of State during the past five years in the Department of State, and in Italy before that, in carrying forward the policies of this Government in the field of international relations. This has been but a continuation of the devoted services which you rendered to the country in the Administration of Woodrow Wilson. For more than a quarter of a century you have labored for the cause of international peace and cooperation.

I am looking forward to your speedy recovery and the continuation of your aid to the cause which is so dear to both of us.

Very sincerely yours,

FRANKLIN D. ROOSEVELT

## TELEGRAM FROM THE SECRETARY OF STATE TO BRECKINRIDGE LONG

[Released to the press December 5]

During your long career of public service you have twice, during the last war and in this, put your country's interest above all to serve as Assistant Secretary of State. I deeply regret that your health no longer permits you to continue. Your wise counsel will be missed by all of us. With best wishes for your speedy and complete recovery.

E. R. STETTINIUS, Jr.

# Resignation of G. Howland Shaw as Assistant Secretary of State

## EXCHANGE OF MESSAGES BETWEEN MR. SHAW AND THE PRESIDENT

[Released to the press December 4]

The text of a letter from G. Howland Shaw to the President follows:

NOVEMBER 28, 1944.

MY DEAR MR. PRESIDENT:

I hereby tender you my resignation as Assistant Secretary of State and I respectfully ask that it be accepted at your early convenience and that you approve my retirement in accordance with law. I have been deeply appreciative of the confidence which you have placed in me and it has been not only an honor but a source of keen personal satisfaction to me to have tried to serve you in the Department of State as Chief of the Division of Foreign Service Personnel and during the past four critical years as Assistant Secretary of State. I have come more and more to feel, however, that there is a field in which I can now serve more usefully during the rest of my active life than in the Foreign Service to which I have been happy to devote my energies for the past twenty-seven years. The problem of making democratic principles more effective in certain aspects of our national life, the problem of juvenile delinquency and the problem in general of youth—these are the problems which chiefly enlist my interest at present and to which I am anxious to devote all of my efforts from now on. The resignation which is very rightly customary at the beginning of a new Administration furnishes me with the opportunity to write you with complete frankness on matters which have been much on my mind for some time and concerning which I have heretofore not felt free to speak. I need not add how sincerely I wish for the success of both the Department of State and the Foreign Service under your direction and that of Secretary Stettinius during the momentous days that lie ahead of us.

Yours faithfully,

G. HOWLAND SHAW

The reply of the President to Mr. Shaw follows:

DECEMBER 4, 1944.

MY DEAR HOWLAND:

I have received your letter of resignation of November 28 which you urgently request me to accept in order that you may undertake other important duties.

I am very sorry indeed to learn of your decision but in the circumstances which you so clearly set forth in your letter I most regretfully accept your resignation and approve your retirement as provided by law.

In doing so I wish to express to you my deep appreciation of your work in the Foreign Service and the Department of State over a period of twenty-seven years. I recall your outstanding record in the American Embassy in Turkey and know from closer association here in Washington of the tireless assistance, without thought of personal advantage, you have rendered in the administration of the Department of State and the Foreign Service. Your influence will be missed. I am indebted to you especially for having brought before the American people, through your speeches and radio talks, a more realistic conception of our Foreign Service and the work it does.

You mention in your letter your increasingly deep interest in problems of the correctional and related fields, particularly juvenile delinquency. I am aware of the valuable work which you have done in these fields and I hope I may feel free, when an opportunity arises, to appoint you to an important position in one of them which will afford you an even wider scope for enlightened public service.

Sincerely yours,

FRANKLIN D. ROOSEVELT

MESSAGE FROM THE SECRETARY OF STATE  
TO G. HOWLAND SHAW

[Released to the press December 5]

DECEMBER 5, 1944.

DEAR HOWLAND,

I was extremely sorry to hear of your decision to give up your important post in the Department. I can well appreciate your reasons for wishing to devote your outstanding talents and energy to the great humanitarian work to which you have already made a marked contribution, but I profoundly regret your retirement from the Foreign Service for which you have done so much.

During your tenure as Assistant Secretary of State you have adapted the Foreign Service and the Department to the unprecedented needs of the war and you have commenced building the foundations for their adaptation to the still greater responsibilities ahead of us. Your good influence will long be felt.

I have particularly valued our personal association and wish you every success in the fields to which you plan to devote yourself.

With warm personal regards,

Sincerely yours,

E. R. STETTINIUS, Jr.

## Resignation of Cordell Hull as Secretary of State

*Message From the Minister for Foreign Affairs  
of Mexico*

[Released to the press December 5]

NOVEMBER 29, 1944.

MY DISTINGUISHED AND VERY DEAR FRIEND:

I have just learned of your resignation, for reasons of health, as Secretary of State, and hasten to reiterate my most sincere wishes for your rapid and complete recovery, as well as to express, once more, my deep admiration for the inestimable contribution of righteousness and of firmness of principles that you have extended to your great nation and to the destinies of the world.

May I also convey to you my appreciation of the friendly and loyal manner in which the Department of State, under your wise direction, collaborated with this Foreign Office in the solution of problems affecting our two peoples.

It is my conviction that your moral authority will continue rendering great services to the noblest aims that animate mankind.

Please accept, my dear Mr. Hull, the assurances of my unswerving, high esteem and sincere friendship.

E. PADILLA

*Message From the Acting President of the Executive Yuan of the National Government of the Republic of China<sup>1</sup>*

[Released to the press December 6]

I learn of your resignation with the greatest regret. The Chinese people have long been aware that in you we have a warm and steadfast friend who has stood by us under all vicissitudes. It is our fervent hope that you will speedily recover your health and will continue to guide the foreign policy of your great nation in your retirement.

*Message From the President of the Republic of Peru*

[Released to the press December 9]

On Your Excellency's departure from the high functions of the office of Secretary of State I reiterate to you the sentiments of my devoted friendship and I take pleasure in expressing to you that America will always remember with admiration your great efforts which made evident your talent and the force of your outstanding personality in the service of Pan Americanism and in defense of democratic principles, in these dangerous times through which humanity is passing. I offer my very sincere wishes for your welfare and health. With my best personal regards.

MANUEL PRADO

<sup>1</sup> His Excellency Dr. T. V. Soong.

*Message From the Peruvian Minister for Foreign Affairs and Religion*

[Released to the press December 9]

Permit me Your Excellency to transmit this message destined to express to you the profound regret with which my Government and I personally witness the withdrawal of Your Excellency from the office of Secretary of State. While Your Excellency was engaged in the high function of directing the foreign policy of the United States, it was possible for our Governments to increase

particularly the friendly bonds between our countries, to fortify successfully the defensive position of the continent in the serious war emergency, and to open the possibilities of our countries to the fruitful action of labor and the coordination of wills. Your Excellency remains thus linked to the most positive effort of United States foreign policy in recent times beginning with the 7th Conference of Montevideo for the benefit of peace loving humanity and especially of America.

ALFREDO SOLF Y MURO

## Meeting of the Governing Board of the Pan American Union

**TRIBUTE TO CORDELL HULL:  
REMARKS OF THE ACTING CHAIRMAN  
OF THE GOVERNING BOARD<sup>1</sup> DECEMBER 6**

As you are fully aware, the Honorable Cordell Hull has resigned his functions of Secretary of State and Chairman of this Board.

It is not incumbent upon me to measure his achievements as head of the Department of State for many years, but I feel confident that I am voicing the conviction of my colleagues when I praise his leadership as Chairman of the Governing Board of the Pan American Union.

Not only at international conferences, but also at the helm of our organization, he always strove to unite our common efforts and thus to strengthen a genuine Pan American spirit. Although opinion may vary regarding his action in the realm of politics, no one but will acknowledge him as a man of unimpeachable integrity, an eminent citizen of the United States, and a great son of the Americas.

We wish for his speedy and complete recovery, and we are sure that we shall ever be able to count on the intelligent advice of this high-minded man, the "Father of the United Nations".

In order to express what we so keenly feel, I have the honor of submitting to you a proposed resolution that reads as follows:

WHEREAS, The Governing Board of the Pan American Union has learned with profound re-

gret of the resignation, for reasons of health, of the Hon. Cordell Hull as Secretary of State of the United States; and

WHEREAS, The withdrawal of Cordell Hull from the office of Secretary of State and membership on the Governing Board will deprive the members of this body of an eminent colleague who for more than eleven years honored them with his invaluable collaboration and advice and with his sincere friendship; and

WHEREAS, Cordell Hull as Secretary of State and Chairman of the Governing Board rendered inestimable service to the American Republics and the cause of Pan Americanism; and

WHEREAS, In the various inter-American conferences and meetings which he attended his authoritative voice was raised on behalf of continental harmony and solidarity; and

WHEREAS, The reciprocal trade agreements that he negotiated are typical of the equitable spirit in which he conducted international relations,

The Governing Board of the Pan American Union

**RESOLVES:**

1. To express its deep regret at the withdrawal of Cordell Hull from the Department of State and the Chairmanship of the Governing Board, a regret shared by every member of the Board.

<sup>1</sup> The Honorable Carlos Martins, Ambassador of Brazil.

2. To voice its fervent hope for his prompt and complete recovery.

3. To manifest the appreciation of the members of the Governing Board for the cordial spirit in which he presided over their deliberations.

4. To pay tribute to his achievements in international affairs in general and in inter-American relations in particular.

5. To record its gratitude for his unfailing interest in the work of the Pan American Union and the whole-hearted manner in which he upheld the ideals of the Union.

6. To express its confidence that Cordell Hull will continue to be an enthusiastic supporter of the Pan American Union and a strong advocate of the cause of Pan Americanism.

#### RESPONSE BY THE SECRETARY OF STATE TO THE TRIBUTE TO CORDELL HULL

[Released to the press December 6]

The splendid tribute which the Ambassador of Brazil has given to Cordell Hull, the former chairman of this Board, has eloquently expressed, I am sure, the sentiments of all of us here. I should like to convey to Your Excellencies my deep personal appreciation and that of my Government for your tribute to my predecessor. Mr. Hull is one of the truly great statesmen of our times. His vision and achievements in the cause of international understanding and toward the building of a secure peace after this war will long be honored and remembered in many lands. In our own hemisphere we are all aware of his outstanding contributions to the development of inter-American relations founded on the principle of the good neighbor.

At our last meeting I had the privilege of telling you of Mr. Hull's sincere gratitude for the happy and valuable friendships he had enjoyed with the members of this Governing Board during the past 11 years. It was a genuine sorrow to him that for reasons of health it was necessary for him to relinquish this office, which had for him such special interest and significance. I bring to each of you Mr. Hull's personal greetings and warmest regards. He will be deeply moved by the tribute which the members of this Board have paid him today in recognizing his devoted service as its chairman, and I know he thanks you from the bottom of his heart.

#### REMARKS BY THE SECRETARY OF STATE UPON ACCEPTING THE CHAIRMANSHIP

[Released to the press December 6]

The Ambassador of Brazil has spoken most generously in proposing my name to succeed Mr. Hull as chairman of the Governing Board. It is a position which I accept with a full sense of the honor it bestows upon my Government and of the responsibility it imposes upon me. I shall endeavor to carry on in the same spirit of constructive idealism which marked the work of my predecessor.

I should feel less happy about assuming this responsibility did I not enjoy a deep conviction that the deliberations of the members of this Board, and the collaborative work and thought of statesmen throughout the American republics, have built a firm foundation of basic principles on which we may work toward an even more effective achievement of our common aims.

The American republics have been going through world-shaking years of war that have tried and tested those principles and demonstrated their validity. We approach now the goal of victory and peace and find ourselves faced with new problems that concern the most vital mutual interests of our countries and the welfare of our peoples. Many of these problems present difficulties that will tax our resources of intelligence and goodwill. We should approach them with minds ready to improve the machinery of our cooperative effort.

Let us at the same time rededicate ourselves to the basic principles which have proved so great a source of strength through years of fruitful experience—principles of mutual respect, of regard for law, and of mutual cooperation as the basis of a unity that is strong enough to withstand whatever trials the future may bring. Above all let us bear ever in mind the goals toward which our efforts must always be directed: the maintenance of peace and the development of a materially and spiritually richer human life.

Gentlemen, it is in this spirit that I approach the execution of the responsibilities which you have placed upon me. It is a comfort to know that we shall be working closely together in these matters that are of equal concern to all our respective countries, and that I shall be able to profit by your wisdom and experience. I am confident that together we shall be able to make this association work for the good of all the peoples of this hemisphere.

# United States Cotton Policy

Statement by ASSISTANT SECRETARY ACHESON<sup>1</sup>

[Released to the press December 5]

I appreciate this opportunity to discuss with you the way in which, as I see it, our cotton policy bears upon our trade relations with other countries at the present time and the bearing which this same policy may have, if it is continued in its present form, upon our whole foreign economic policy.

The purpose of our foreign economic policy is, of course, to serve the general interests of the people of the United States. The interests of the cotton producers are an important and vital part of that total interest. Under Secretary Hull, and now under Secretary Stettinius, the Department of State has and will continue to further those interests in ways which will promote to common interest. In the past week we have read many reviews of Mr. Hull's distinguished record in public life. Throughout his public career, he has consistently maintained that the true interests of the United States called for a large and progressive increase in the volume of international trade, a reduction in the barriers to that trade, and an elimination of all forms of discrimination.

That aspect of our present cotton policy to which I particularly want to direct your attention is more than a problem of a particular commodity, even though the commodity is an important one. In addition, our cotton policy involves essential objectives of our whole foreign economic policy. We are called upon to make a choice between methods of unilateral action and those of consultation and collaboration with other nations in solving our mutual commodity problems.

The particular issue arises from the fact that, in accordance with the provisions of the Surplus Property Act, the Commodity Credit Corporation may dispose of our exportable surplus of cotton in world markets at competitive world prices, even though the farmer has been paid a much higher domestic price for his crop. This procedure, I am sure all must agree, amounts to the subsidizing of

our exports of cotton. The occasion for this subsidy arises from the fact that we in this country maintain, by crop loans and price supports, a domestic price of cotton substantially higher than would have been the case if competitive forces had been left free to determine price. We follow this policy because we believe that such a policy is necessary in order to assure the producers their proper share of the national income. Having thus raised our domestic cotton price above the general world level, however, we would of course export little, if any, cotton at all if some sort of export subsidy were not provided. Hence we have the present legislation, which is designed temporarily to provide for the disposal of what otherwise would become a steadily accumulating surplus of cotton.

Unfortunately, however, the carry-over stocks of foreign cotton-producing countries are high at the present time; they are almost double their pre-war level. Under these circumstances it is not surprising that other countries have indicated quite clearly that they do not like the recent decision of our country to dispose of its surplus cotton in the world market by means of what amounts to a subsidy on exports. As they look at the matter, the United States is proceeding to dispose of its surplus cotton without regard to the effect that its course of action may have upon other cotton-producing countries.

We in this country have at the present time a heavy responsibility for leadership in respect to commercial policy. Other nations look to us to set the right course and to steer by that course consistently. The course which we have tried to set is the course of restoring world trade as a means to the achievement and maintenance of high levels of income and employment at home and abroad. To these ends we seek the collaboration of other nations in providing the capital necessary for the reconstruction of damaged areas and the development of less industrialized sections, in achieving stability of exchange relations, in the reduction of all forms of trade barriers, and in the elimination of discriminatory treatment in international commerce.

<sup>1</sup> Made on Dec. 5, 1944 at the Cotton Conference of the Subcommittee of the House of Representatives for the Study of Policies of Post-War Agriculture.

Article VII of the mutual-aid agreement with the United Kingdom and similar agreements with many others of our Allies express the common desire of all these nations to reverse the trend of the pre-war decade toward the unilateral use of trade barriers, quotas, exchange restrictions, and discriminations. These trade barriers and discriminations were the result of vain efforts on the part of individual nations to insulate themselves from the rest of the world. Each nation sought to throw the burden of its unemployment on other nations by restricting imports and by forcing exports upon world markets. Essentially they were the tools of economic warfare, and their use brought about not only a severe shrinkage of international trade but also a wave of international friction and ill-will.

It is our hope that the nations of the world will agree with us that high levels of employment and income for any one country depend upon high levels of employment and income for all, and that all nations should join together in the adoption of measures for the reduction of trade barriers, the elimination of trade discriminations, and the adoption of fair methods of trade.

It is clear, I am sure, that the policy we are now undertaking to follow with regard to cotton exports must appear to other nations to be inconsistent with this general approach to foreign economic policy that I have just outlined. When other countries have subsidized their exports in world markets we have looked upon the practice as unfair to our domestic producers and exporters; and indeed the Congress, through countervailing duties, has opposed the importation into this country of subsidized dutiable goods. It is consequently not at all surprising that other cotton-producing countries should now look upon our present cotton-subsidy program as unfair to them.

This situation is serious in itself, because it is a source of irritation in our relations with other friendly countries. It is even more serious, however, because it is likely to affect the confidence of other countries in our sincerity of purpose, in our general program of seeking, in collaboration with other nations, a general reduction of trade barriers, and the elimination of discriminations and other unfair methods of trade. That our present policy with respect to cotton may have this effect has already been indicated by the way in which other countries have reacted to the announcement of our cotton-subsidy program.

Let me make it clear that I am not questioning the wisdom of our domestic program of aiding cotton producers. I am now dealing only with the *way* in which this assistance is given. This is of great importance in our international economic relations. If, for example, the assistance to our cotton producers were to be afforded in such a way that two cotton prices did not emerge as a consequence, as would be the case if the grower were given direct aid of some kind, then our policy would not be open to the same objections from foreign cotton-exporting countries. In addition to the difficulties caused by the two-price system in our relations with other exporting countries, that system involves also the imposition of import restrictions and, if we wish to participate in world textile markets, the granting of export subsidies on products manufactured from raw cotton.

At the moment, however, we must take the situation as we find it—even though we may hope that the present policy of subsidizing cotton exports may be no more than a temporary one—and we must work out with other nations some plan for meeting their immediate grievance. To this end consideration is being given to the desirability of convening the International Cotton Advisory Committee, which was established in 1939 for the primary purpose of providing a means for international discussion of cotton problems. The purpose of such a meeting would be to consider the advisability of convening an international cotton conference. At such a conference the attempt should be made to work out a suggested solution to the world cotton problem which would provide for the orderly liquidation of world surplus cotton stocks.

Burdensome commodity surpluses should be dealt with on a basis of international cooperation in such a way as to avoid the development of unfair trade practices and unhealthy international rivalry. If provision is made for the orderly liquidation of world surplus stocks no one country will dispose of its surplus in a fashion detrimental to the interests of other countries who are also burdened with large accumulations. Furthermore, the fear of disorderly world markets will be removed and trade will be carried on in an atmosphere of mutual respect for the rights of other exporting countries. In such an atmosphere there will be hope for the expanded world trade which is so necessary for the attainment of high levels of employment and income.

# Dumbarton Oaks Proposals

ADDRESS BY LEO PASVOLSKY<sup>1</sup>

## I

The Dumbarton Oaks meeting stemmed from the Moscow Conference of October 1943, at which Secretary Hull, on behalf of the United States, Foreign Secretary Eden, on behalf of Great Britain, Foreign Commissar Molotov, on behalf of the Soviet Union, and the Chinese Ambassador to Moscow, on behalf of the Republic of China, signed the now famous Four Nation Declaration.

In that historic document the four nations which are bearing the principal brunt of the present war for human freedom pledged themselves to cooperate after the cessation of hostilities in the building of enduring peace, as fully and as whole-heartedly as they have been working together in the conduct of the war. They expressed their joint conviction that the maintenance of international peace and security must be a joint task of all peace-loving nations, large and small, and that, accordingly, there must be created a permanent international organization based on the principle of sovereign equality of all peace-loving nations and open to membership by all such nations. They agreed to take the leadership in the creation of such an organization. They also agreed that pending the establishment of a general system of international security they will consult with each other and, as occasion requires, with other nations, with a view to joint action for the maintenance of peace and security.

It was clear that an international organization of the kind envisaged in the Moscow Declaration could not be established without full and free conference and agreement among all peace-loving nations. It was equally clear that the first step in the process had to be further consultation among the four signatories to the Declaration as to the obligations and responsibilities which they would be willing to assume in creating and maintaining a peaceful and secure world order. Because of their size and strength, these four countries can make or break any system of general security that

might be established. It is of the utmost importance, therefore, that they reach agreement among themselves as to their special responsibilities and obligations, in order that, within the framework of that agreement, it may become possible to bring about a wider and more general understanding as to the responsibilities and obligations which must be assumed by all peace-loving nations, large and small, if enduring peace is to prevail.

With this thought before them, the four governments began, soon after the Moscow Conference, intensive preparation for further and more detailed discussions among themselves. Each of the governments had to think through the far-reaching implications for itself and for the world of the kind of participation that it would be prepared to assume in a general system of international security.

In our country, the work of preparation was begun even before the Moscow Conference. It was greatly intensified in the months which followed that conference. By direction of the President and under the direct guidance of Secretary Hull, the Department of State made careful studies of the experience of the past. Our experts assembled and analyzed all official and public discussion of the problems involved and all suggestions that have been made in various quarters here and abroad as to the ways of handling these problems. Out of all these studies there emerged a set of basic ideas which were then discussed within the executive branch of the Government, with many members of both Houses of Congress, and with numerous leaders of national thought, without regard to political affiliation.

The representatives of our Government at Dumbarton Oaks were armed with the voluminous and enlightening results of all these preparations. The representatives of the other three governments, too, came to Washington with months of preparatory work behind them. This was one important reason why, as President Roosevelt has said, "so much could have been accomplished on so difficult a subject in so short a time".

<sup>1</sup> Delivered at the closing session of the United Nations Institute on Post-War Security at Cincinnati on Nov. 18, 1944.

There was, of course, another and even more important reason. The representatives of the four governments came to the Dumbarton Oaks meeting with a firm conviction that after the experience of the past three decades it was unthinkable that the nations of the world should now fail to bring about a state of international relations in which the probability of another world war would be eliminated—in so far as human ingenuity, energy, and good sense could do so. It has been my good or bad fortune to have attended many international conferences since the days of Versailles. I have never seen an important international gathering that was more imbued with a spirit of cooperative good-will and with a unity of purpose than was the Dumbarton Oaks meeting.

There were, of course, differences of views on specific points. That was only natural considering how much is at stake. Some of those points were vastly important. But, one after another, differences were ironed out through hours and days of frank and patient discussion. All of us who were privileged to take part in those discussions left the scene of our meeting better informed, with a better understanding of each other, and better friends.

## II

You have all, I hope, had an opportunity to examine the results of the Dumbarton Oaks meeting. The proposals which emerged from that meeting were made public immediately after the four delegations had submitted them to their respective governments as their agreed recommendations. I am sure that you have noted from the text of the proposals that the task of maintaining international peace and security is regarded as being of a two-fold character.

First, it is necessary that the nations of the world assume a solemn obligation to resort to none but peaceful means in the settlement of whatever controversies or disputes that may arise among them, and in the adjustment of any situations and conditions that may lead to friction among them. Accordingly, they must assume an obligation not to use armed force or threat of force for these purposes. Having assumed these obligations, they must then join together in creating arrangements whereby the peaceful settlement of disputes and the adjustment of conditions which may threaten the peace or security of nations may be facilitated

and made effective. They must also join together in combined action to remove threats to the peace and to suppress breaches of the peace—by armed force if necessary.

Second, it is necessary that the nations of the world recognize that disputes, controversies, and frictions among them are less likely to occur if they work together in creating conditions conducive to stability and well-being within nations and therefore essential to the maintenance of stable and peaceful relations among nations. They must join together in creating arrangements for facilitating the solution of international economic, social, humanitarian, and related problems and for cooperative action in promoting the types of international relations which are necessary for the material and cultural progress of individuals and of nations.

These are the two great purposes of the proposed international organization. They define its scope and indicate the kind of institutional structure that is necessary for their attainment.

It is proposed that the Organization should be open to membership by all peace-loving states. It is proposed that there should be a General Assembly, in which all member states would be represented on an entirely equal footing. There should also be a Security Council, a smaller body, in part elected periodically by the General Assembly.

The General Assembly would be the focal point for international discussion and action with respect to the second of the two great purposes, which I have just outlined—the creation of conditions of stability and well-being essential to the preservation of a peaceful world order. The Security Council would be the focal point for the attaining of the first great purpose—the peaceful settlement of disputes, the removal of threats to the peace, and the suppression of breaches of the peace.

## III

The General Assembly, which would meet annually or more frequently as special circumstances require, would be charged with the task of reviewing the state of relations among nations and of making recommendations to the nations as regards the advancement of their cooperative effort in the improvement of political, economic, social, humanitarian, and other relationships and in the promotion of observance of human rights and

fundamental freedoms. It would be free to consider any questions that concern relations among nations, including those which arise out of problems of peace and security and out of international cooperation in the solution of international problems and in the promotion of human freedom and human progress. It would not be in any sense a legislative body or an agency of a superstate. It would rather be an instrumentality for common and agreed action by a free association of nations.

The General Assembly would be empowered to create any agencies which it may find necessary for the performance of its tasks. The most important of such agencies is provided for in the proposals themselves. It is the Economic and Social Council which would operate under the authority of the Assembly and would perform functions of far-reaching importance. These functions fall into two broad categories: The first may be called coordinative; the second, promotive.

In the vast and complicated field of economic, social, and related activities, there is a great and now widely recognized need for specialized functional agencies to deal effectively and intensively with particular types of activities. For nearly two years now the United Nations and certain other nations associated with them in the prosecution of the war have been making great forward strides in the establishment of such specialized agencies. The conference at Hot Springs in May 1943 resulted in a plan for an International Food and Agriculture Organization. A conference in London in the spring of this year brought forward plans for an eventual creation of an international educational agency. The conference at Bretton Woods in July of this year resulted in projects for the establishment of an International Monetary Fund and of an International Bank for Reconstruction and Development. There is now in progress in Chicago an international conference for the solution of problems of civil aviation. Discussions are under way also for similar action in the fields of trade, commodities, cartels, other forms of transportation, communication, health, and others. And, of course, there is still in existence the International Labor Organization.

These are great steps toward the creation of a system of organized international relations in those fields in which satisfactory progress is impossible except on the basis of effective interna-

tional cooperation. But the fact that a number of such specialized agencies is being brought into existence itself raises a problem. Unless the policies and activities of these agencies are coordinated into a coherent whole from the point of view of the over-all picture and of general welfare, their operations may result in overlapping and confusion and, consequently, in impairment of the efficacy of each of them. In order to meet this great need for coordination, it is now proposed to place the responsibility for such coordination in the hands of what is proposed to be the highest representative body in the world—the General Assembly—and under it, in the Economic and Social Council.

It is, however, not to be anticipated that by the time the international organization is created there will be a specialized agency in every field in which it will be desirable to have such an agency. There may be many fields in which a specialized agency may not be feasible. Hence, the second great function of the General Assembly and of its Economic and Social Council will be the promotion of cooperation in those fields in which specialized agencies do not already exist, in facilitating the creation of such agencies where they are feasible, and in over-all coordination in the whole realm of constructive international cooperation.

It is proposed that the Economic and Social Council should consist of representatives of 18 countries, elected every three years by the General Assembly. Neither it nor the Assembly would have any executive functions in the sense that its decisions would be binding upon either the specialized agencies which it coordinates or upon the member governments. The thought is that in this area the international organization should not go beyond the powers of recommendation and should leave to the member states themselves the carrying out of such recommendations, except in such respects as the members of the organization may request it to assist them more fully.

It is proposed that there be set up under the Economic and Social Council a series of commissions for economic problems, for social problems, for educational problems, et cetera. These commissions would consist of experts in each of these fields. In addition, there would be a highly competent secretariat and research staff. It is hoped in this way to create in connection with the world

organization a sort of international economic general staff. And it seems more than likely that recommendations made by the General Assembly or the Economic and Social Council on the basis of informed and careful preparation by such a staff would command sufficient attention and respect to provide a very real impetus to effective solution of difficult and complicated, but immensely important, problems of economic and social progress.

#### IV

The Security Council, as I said before, would be the focus for international cooperation in the maintenance of peace and security. This function would be placed in the hands of a smaller body rather than in the hands of the General Assembly, because by its very nature it requires quick and decisive action. Hence, it is proposed that the Council should consist of representatives of 11 countries and that it should be in continuous session.

Five nations would be permanently represented on the Council. They are the United States, Great Britain, the Soviet Union, China, and, eventually, France. This is in recognition of the fact that these countries have today, and will continue after the war to have, the bulk of the world's military and industrial power. They will, therefore, after the war, as they do now, occupy a position of special responsibility in matters of peace and security. The other six members of the Council would be elected by the General Assembly for two-year terms.

The Dumbarton Oaks proposals envisage a series of procedures for the operation of the Security Council. The Council would be empowered to investigate any dispute or any situation which may lead to friction or dispute, in order to determine whether or not the continuation of such a dispute or situation may endanger international peace and security. The responsibility for the settlement or adjustment of international disputes or of situations likely to lead to disputes would be placed, first of all, upon the nations directly involved. It is proposed that all member states should assume the responsibility of doing everything in their power to settle their disputes peacefully, by means of their own choice. There are many such means open to nations—negotiations, mediation, conciliation, various forms of arbitration and of judicial processes. Some of these may

best be handled by groups of nations organized on a regional basis. Such regional arrangements, provided they are consistent with the purposes and principles of the general organization, may provide useful machinery for the settlement of local or regional differences without resort to the world-security council.

There would be created an international court of justice to which the nations may have recourse for the settlement of such disputes as can be settled by the application of rules of law.

The purpose of all this would be to keep the Security Council from being snowed under by all sorts of disputes and difficulties which can and should be handled without reference to it. The Council itself would, under the proposals, be constantly on the watch and would appeal to the nations to settle disputes by means of their own choice.

But there would also be an obligation upon the nations to come to the Council in the event that they fail to settle their disputes by means of their own choice. In addition, the Council would have the power to recommend to the nations concerned in a dispute methods and procedures of settlement, either before or after the particular dispute is brought to its attention for action.

All member states and even non-member states, it is proposed, should have the right to bring to the attention of either the Assembly or the Security Council any dispute or situation which in their judgment threatens peace and security. The Assembly, as I said before, would have the right to discuss any such matter, but since the responsibility for action would be vested in the Security Council, the Assembly would be obliged to refer to the Council any matter on which action might be necessary.

The taking of measures to remove threats to the peace or to suppress breaches of the peace would be a solemn responsibility and obligation laid upon the Security Council. Accordingly, if nations fail to settle their disputes by means of their own choice or in accordance with the recommendations of the Security Council, and if the Council determines that such failure constitutes a threat to the peace, it would have full authority to take whatever measures are necessary to maintain or restore peace.

The Security Council would be authorized to take a large variety of measures for this purpose.

It would be in a position to act by diplomatic or economic pressure and, if necessary, by means of armed land, sea, or air forces.

The armed forces and the facilities necessary for their employment would be placed at the disposal of the Council by the member states. To do so would be an obligation laid upon all member states, but the precise numbers and kinds of forces and facilities would be determined by a special agreement or special agreements concluded among the nations under the auspices of the Security Council.

Since the Security Council would be placed in a position to use armed force in the performance of its duties, it is obviously necessary to give it the most highly qualified expert assistance for this purpose. This would be done through the creation of a Military Staff Committee, which would consist of the chiefs of staff of the permanent members of the Council, and of other members of the organization as necessary. The duties of the Military Staff Committee would be to assist and advise the Council in such matters as the use of armed force and the setting up of a system of general and effective regulation of armaments. Preparation for eventual limitation of armaments and for their greatest practicable reduction would be another duty of the Security Council, which it would perform with the assistance of its military advisers.

## V

There is thus envisaged a series of three steps in the setting up of a general system of collective security. The first would be the negotiation of an agreement on the charter of the proposed international organization. The charter would set forth the obligations and responsibilities to be assumed by the member states and would provide the basic machinery of the organization. The second step would be the negotiation of an agreement or a series of agreements for the provision by the member states of armed forces and facilities for use by the Security Council in the performance of its duties in connection with the maintenance of peace and security. The third step would be the negotiation of international agreements providing for the regulation of armaments and the reduction as far as possible of the burden of armaments. Each of these instruments, it is proposed, would be

negotiated subject to approval by each of the nations involved in accordance with its constitutional processes.

Out of all this there would emerge a flexible machinery of organized international relations, fully capable of development and growth to meet the needs of changing conditions. Such machinery would not provide a panacea, a ready and easy cure for all the difficulties that inhere in relations among nations. But to the extent that our nation and other nations are resolved to establish it and to use it, the proposed international organization would represent a tremendous advance toward the realization of man's age-old dream of a warless world and of his continuing search for economic, social, and cultural advancement.

Much still needs to be done before the Dumbarton Oaks proposals are translated into a fully functioning international organization. The proposals themselves will need to be completed through further agreement on a number of points that were left unsettled at the meeting. It is planned that the full proposals would then be formally submitted to the governments of all of the United Nations and would serve as a basis of discussion at a full conference at which agreement would be sought on the terms of a formal charter of the projected organization. After that the charter would need to be approved through the appropriate constitutional processes of the various countries.

All these remaining steps will undoubtedly be greatly facilitated and hastened by the fact that the basic ideas of the projected organization, embodied in the Dumbarton Oaks proposals, have been placed before the world and are being subjected to intensive study and searching examination by our people and by the peoples of other countries. Such study and examination are indispensable to a clear understanding of what is involved and to the formation of informed public opinion on this vital matter, which is of surpassing importance to the future of mankind.

In this country, groups like those represented at this gathering have a duty and an opportunity to help our people to such an understanding. I hope, ladies and gentlemen, that what I have said in the last half hour has shed some additional light on the vast problem which has been the subject of your deliberations during the past two days.

ADDRESS BY CHARLES P. TAFT<sup>1</sup>

[Released to the press December 4]

We human beings learn principally by doing, and we have learned a great deal in the last 40 years about how to organize to prevent war and preserve peace. You may say that the Russo-Japanese War, the Balkan wars, World War I, and this dreadful continuation of that record struggle are hardly evidence of any such acquisition of knowledge. But probably the occurrence of each war and our efforts to prevent the arrival of its successor were necessary for us to see what were the causes of failure and the needed steps to ultimate success. It has been a fearful price to pay, and this time we must succeed.

The simple practical pattern of the Dumbarton Oaks proposals grows from that experience, and so does the public support of them, now virtually universal. Our leaders of the past have seen the way first, before they were able to carry opinion with them. After his mediation in the Russo-Japanese peace negotiations and his aid given at Algeiras to prevent war in Europe, Theodore Roosevelt said at Christiania in 1910:

"It would be a master stroke if those great Powers honestly bent on peace would form a league of Peace, not only to help the Peace among themselves, but to prevent, by force if necessary, its being broken by others. . . . Power to command peace throughout the world could best be assured by some combination between those great nations which sincerely desire peace, and have no thought themselves of committing aggression."

In 1914 Woodrow Wilson is quoted as saying:

"All nations must be absorbed into some great association of nations whereby all should guarantee the integrity of each, so that any one nation violating the agreement between all of them, shall bring punishment on itself automatically."

In 1914 also, William H. Taft said at New York:

"The time has come when the peace-loving nations of the world should organize themselves into some sort of society in which they would agree to settle their own disputes by amicable methods, and say to any nation that started to go to war: 'You have got to keep the peace or have all the rest of us against you.'"

During that winter and spring a group of Americans worked on the problem and on June 17, 1915 formed the League To Enforce Peace, at Independence Hall, Philadelphia. They laid down four principles.

The United States should join a league of nations, binding its members—

1. to submit all justiciable questions to a judicial tribunal.
2. to submit all non-justiciable questions to a council of conciliation for hearing, consideration, and recommendation.
3. to use their economic and military forces against any one of their number that goes to war against another signatory before submission.
4. to take part in conferences to formulate and codify rules of international law.

When Armistice Day came in 1918, the League To Enforce Peace added to these four principles provision for an administrative organization for conduct of affairs of common interest, the protection and care of backward regions and internationalized places, and machinery which could prevent defeat of forces of healthy growth and change and secure progress without recourse to war; and provision for "an Executive Body, able to speak with authority in the name of the nations represented, and to act in case the peace of the world is endangered".

It was further recommended that the representation of the different nations in the organs of the league should be in proportion to the responsibilities and obligations they assume. "The rules of international law should not be defeated for lack of unanimity."

Then followed the Paris conference, the Treaty of Versailles with the Covenant of the League of Nations, the defeat of the treaty in the Senate, and 19 years of restless peace before the new storm broke.

Now we are attempting to accomplish that same objective of 25 years ago, peace in our time, and we are offered the framework of the Dumbarton

<sup>1</sup> Delivered before the Business and Professional Women's Club at Richmond, Virginia, on Dec. 4, 1944. Mr. Taft is Director, Office of Wartime Economic Affairs, Department of State.

Oaks proposals. How do they give any greater hope?

The greatest cause for optimism is the public support of the proposals in this country. Every competent student agrees that our public sentiment is united in overwhelming effect behind the general ideas in this charter. It calls for a world organization, and we are only one nation of many in the world, but the want of our full backing would defeat the organization before it began. That support is our contribution to peace, and we must give it.

Does the form of the proposals give hope? The careful examination of the main features shows their strength and their foundation of experience.

It is today a matter of criticism with some that the organization is formed before the peace is made. They insist that they must see the peace before they join an organization to preserve it. But this war is different from the last; it will not end at 11:00 o'clock on Tuesday with a great clap of silence. It is ending piecemeal, almost from day to day, and the agreements that will preserve the peace are many, not one. Dumbarton Oaks must become the nexus that unites the understandings on food, on refugees, on oil, on shipping, on aviation, on cartels, on commodities, on currency, on loans and stabilization, and on trade. We cannot wait for a single peace conference that may never develop in any such form as a Congress of Vienna.

And more than that, we have learned to work together in wartime, and we must preserve that unity, which is a compound of indignation, of desperation, of enthusiasm, of determination, of vision and aspiration. We cannot permit a breathing spell, a gap, a hiatus in which weariness might grow into unwarranted pessimism or even suspicion. We must stick together as United Nations.

The Dumbarton Oaks proposals contemplate an international court for settling disputes involving rules of law. This is a true successor of the World Court under the League and of its predecessors.

The Security Council proposed is a great step beyond the Council of the League of Nations. The great change at Dumbarton Oaks was the proposal to increase the power of this executive body. Its functions are stated in simple language, open to none of the ambiguous interpretations of the

Covenant. It comes much closer to the earlier thinking before the League.

This Security Council is to—

(1) investigate any dispute, or any situation the continuance of which might lead to international friction or give rise to dispute.

(2) call upon states to settle their disputes by peaceful means of their own choice.

(3) recommend procedures for adjustment of disputes likely to endanger peace and security.

(4) determine whether any situation threatens peace or involves a breach of the peace, and to take measures necessary to maintain or restore peace, in accordance with the principles and purposes of the Organization.

(5) take diplomatic, economic, and other measures to give effect to its decisions.

(6) employ air, naval, or land forces to maintain or restore peace, if measures short of force prove inadequate.

The League guaranteed territorial integrity and political independence of member states, but no one quite knew what that involved. Arbitration was called for or inquiry by the Council, and the nations agreed not to resort to war for three months after award or report. The members agreed not to fight any member which complied, and all agreed to fight any member which resorted to war in violation of these covenants for arbitration or conciliation. The procedure was complicated and in later practice proved cumbersome.

This is a great change from all previous plans, this new proposal for a Security Council. The Council is to investigate any dangerous international situation anywhere, call for settlement, suggest procedures, decide the extent of the danger, and, if peace and security is threatened, take measures to maintain or restore peace, by diplomatic, economic, or military sanctions. This is a real enforcement of peace, a real policing of the anti-social minority.

A Military Staff Committee, modeled after our present Combined Chiefs of Staff, is contemplated to direct the military operation, and by separate treaties land and naval contingents are to be *made available*, and a mobile air force to be *held immediately available*.

To this powerful police authority objection is made that its action is not related to any definition of what is or is not proper national conduct. It is said that it should have to a greater degree the

curative and creative functions much discussed by those concerned with peace in these past 20 years and more.

The Dumbarton Oaks proposals, like the League of Nations and the League To Enforce Peace, call for a court to administer international law in those cases which are subject to international law. That defines "proper national conduct" as far as it goes, for what the lawyers call the "justiciable" cases. But all plans for a peace organization recognize that many if not most of the disputes that threaten peace are not in that legal class at all. They are disputes in which it is hard to find definitions of national conduct that even a majority of nations are willing to apply, like a rule of law. So you call for conciliation, and you back up the request to settle by a threat of force. Like all power, that power to force settlement has its dangers. It is always possible that the settlement may continue injustices. But we had better make up our minds right now which we want more in the future, *war* to redress grievances, or *peace* enforced by the nations of a Security Council with perhaps some temporarily continued injustices. Out of the decisions of the Security Council, in accordance with the purposes and principles of the World Organization, will come gradually a succession of decisions which will establish definitions of appropriate national conduct.

It should also be pointed out that no set of definitions can be complete which attempts to define national conduct. It is something like attempting to define ethical conduct of a person. The application of any set of definitions simply gives the opportunity for evasion.

The Assembly is thought to have less power than under the League. Whatever the appearance of authority for the Assembly under the League, the rule of unanimity and the actual operations of those 20 years were not impressive. The new Assembly will be what the nations make it. It can become, in its general coordination, budgeting, and planning, a true parliament of man.

For those activities in the economic, social, and fields of international cooperation, the Dumbarton Oaks proposals, especially in the light of the varied conferences already held and the planning already done, give hope for great progress on the foundations so successfully laid in the days of the League. The International Labor Organization, the steps taken in control of narcotics, and of the white-slave trade, the progress in cultural co-

operation, all these are part of the heritage of otherwise discouraging years. Through the new Assembly and the Economic and Social Council we can expect to relate to the World Organization, the Food and Agriculture Organization, the Inter-Governmental Committee on Refugees, the Bank and the Fund, UNRRA during its life and functions, the Aviation Organization, any commodity organization, any organization for promoting multilateral trade freed of national barriers so far as possible, any authority to police international business practices, and many others that will constitute a whole body of relations among nations.

Will this Organization remove fear and give security? We may confidently hope that like the vigilantes of the frontier it will stop the anti-social minorities that have caused our recent great wars. That is the first step toward international civilization and toward true, well-adjusted security of national minds. We may look with hope almost as confident to an intelligent effort in this Organization to secure peaceful change for the rectification of injustice. There the League failed. There we must succeed through vigorous contribution from every member to the life of this World Organization.

The question of dependent areas is not yet approached, and it is one of the important problems yet to be solved. In the light of the official statement of Oliver Stanley in Parliament in July 1943, we may look with hope for a reconciliation of the views of the United States and the United Kingdom. Human rights, for which Anglo-Saxons have fought for centuries, will not divide us now.

The importance of the questions of the vote in the Council may well be exaggerated. Our Nation seems to be in agreement as to the powers to be given our delegate, and it is probably fair to say that if a truly insoluble dispute between two great powers, members of the Security Council, arises, no form of vote and no peace organization by themselves will prevent war. Only statesmanship of the highest caliber can meet or prevent such a situation.

This is all a problem for statesmen and peoples. There are two great dangers for us. One danger is from the perfectionists. The alternative to settlement by war is settlement by talk. In a settlement by talk we may have to yield some of what the perfectionist demands. That is compromise perhaps, but if it gives something better than what

we have, we had better take it and struggle on for still further progress step by step.

The other danger and perhaps the greater danger is from the pessimist-materialist. He may say that war is inevitable in human nature, and never to be ended by human machinery. That we deny. We have found ways to build peace within nations from conditions that looked equally hopeless. Why are nations different from towns and regions?

Or our pessimist may say, You can't do much because world frontiers will disappear, and then with static markets the great industrial nations will fight for the decreasing share of the pie of world business; international capitalism will commit suicide, and no world organization can stop it. Again we deny the facts of this materialist, as even intelligent socialists are already coming to agree. And while the way a man earns his living profoundly affects his whole life, yet in the crises of history it is ideals of justice and liberty that turn men and nations.

So we must be realists and accept the slowness of progress, but equally we must be realists in our convictions that men can see this goal of true

peace for all peoples and march forward step by step and shoulder to shoulder, united in the best organization we can form together.

"I appeal to the women who hear me: Do they want war again? Are they not willing that we should make concessions now in order that we may avoid war 10 and 20 years hence? Do they wish their children and their grandchildren subjected to the suffering that we have seen England and France and Italy undergo? Is not this the time when enduring peace is to be born—when everybody is impressed with the dreadful character of war and the necessity for avoiding it, when all the nations are willing to make concessions? Isn't now the time to take our share of the responsibility and say to our brothers: 'We realize that the sea no longer separates us but is become a bond of union. We know that if a war comes to you, our neighbor, it will come to us, and we are ready to stand with you in order to keep off that scourge of nations. In the love of our brother we will do our share as men and women conscious of the responsibility to help along mankind, a responsibility which God has given this Nation in giving it great power.'"<sup>1</sup>

### ADDRESS BY DURWARD V. SANDIFER<sup>2</sup>

[Released to the press December 8]

I am happy to have the opportunity to appear on this panel to consider with you the subject of international judicial organization. This is especially so because as an international lawyer by training and profession I am naturally inclined to regard this subject, together with that of the related procedures for the peaceful settlement of disputes, as the most important aspect of the task of establishing a new international organization.

In listening to the speeches which have been made here this evening, I am struck with the progress they reflect in the attitude toward an international court of justice and American participation in it as contrasted with that which persisted through the past two decades. The question as it has been presented here is not whether there shall be a court and whether we shall take part; it is not even what kind of a court we shall have; it is what kind of subsidiary or related courts should be established to supplement the international

court. This attitude of matter-of-fact acceptance of the international court is, I think, typical of the general attitude in this country today. It was the attitude at Dumbarton Oaks. Everyone there agreed that the Organization should have an international court of justice. The only question was what the nature of the statute of the court should be and how it should be prepared. That, I submit, represents very encouraging progress.

The chairman of your Committee on International Law, Mr. Simsarian, in inviting me to appear on this panel, did not prescribe a subject for my remarks. However, I have a suspicion that he rather expected—or at least hoped—that I might throw some special light on the provisions with

<sup>1</sup> [William Howard] *Taft Papers on League of Nations*, Theodore Marburg and Horace E. Flack (MacMillan, 1920), p. 257.

<sup>2</sup> Delivered before the Federal Bar Association at Washington on Dec. 8, 1944. Mr. Sandifer is Acting Chief, Division of International Security and Organization, Office of Special Political Affairs, Department of State.

respect to international judicial organization in the Dumbarton Oaks Proposals for the Establishment of a General International Organization. Since that subject was among those left for further negotiation as to details, I am not in a position to satisfy fully the chairman's desire—and perhaps yours. However, I think we can profitably explore the procedure of pacific settlement contained in the Dumbarton Oaks proposals and the role of the international court of justice in that procedure and in the Organization as a whole.

One of the principal purposes of the Organization—and the one in which most people have the keenest interest—is “to maintain international peace and security”. The method for achieving this purpose which now attracts most attention is the taking of “effective collective measures for the prevention and removal of threats to the peace and the suppression of acts of aggression or other breaches of the peace”. However, a second method that is provided, and in one sense a prior method, is the bringing about “by peaceful means adjustment or settlement of international disputes which may lead to a breach of the peace”. This is the keynote of settlement by peaceful means and is likely to become the paramount activity of the Organization.

It is of the greatest importance to keep clearly in mind the close interrelation of these methods—that is of procedures for settlement of disputes, both legal and political, and for use of force as a last reserve in the event that methods of pacific settlement have failed or will obviously be inadequate. This has nowhere been better stated than by Secretary Hull in his speech of September 12, 1943:

“We must . . . provide for differences of a political character, for those of a legal nature, and for cases where there is plain and unadulterated aggression.

“Political differences which present a threat to the peace of the world should be submitted to agencies which would use the remedies of discussion, negotiation, conciliation, and good offices.

“Disputes of a legal character which present a threat to the peace of the world should be adjudicated by an international court of justice whose decisions would be based upon application of principles of law.

“But to assure peace there must also be means for restraining aggressors and nations that seek to

resort to force for the accomplishment of purposes of their own. The peacefully inclined nations must, in the interest of general peace and security, be willing to accept responsibility for this task in accordance with their respective capacities.”<sup>1</sup>

The procedure of pacific settlement recommended by the proposals rests upon the principle that “All members of the Organization shall settle their disputes by peaceful means in such a manner that international peace and security are not endangered.” This is far-reaching in its consequences, especially when considered alongside the correlative principle that all members “shall refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the Organization”. Members are not required to *settle* all disputes, but if they do undertake to settle a dispute it must be in a way which will not endanger peace and security, and they cannot in any case resort to force to bring about a settlement.

The procedure of pacific settlement provided in chapter VIII of the proposals can only properly be understood in the light of these principles. The distinguishing feature of this procedure is the role of the Security Council. It would not itself be a primary agency for the settlement of disputes. Its function would be to encourage settlement by the parties through peaceful means of their own choice, to recommend procedures and methods of settlement when the parties have failed to reach a settlement, and to keep constant vigil that failure to settle a dispute does not threaten the peace. If the Council should find that such a threat had resulted from failure to settle, it would have authority to “take any measures necessary for the maintenance of international peace and security in accordance with the purposes and principles of the Organization”.

This means that under the Organization no condition or action which threatens the peace would be allowed to continue. The purpose of the Organization would be to assure a peaceful society within which law and justice could develop and differences could be settled in an orderly and peaceful manner.

Reliance for the settlement of disputes would be placed upon the procedures of negotiation, mediation, conciliation, arbitration, and adjudication.

<sup>1</sup> BULLETIN of Sept. 18, 1943, p. 177.

### Visit of the Minister of Foreign Affairs of Panama

His Excellency Señor Don Samuel Lewis, Minister of Foreign Affairs of Panama, will arrive in Washington on December 11, accompanied by the Honorable Señor Don Mario de Diego, Director of Protocol of Panama. On December 12 Señor Lewis will attend a special session of the Governing Board of the Pan American Union.

The parties would be obligated first to seek a settlement by these means of any dispute endangering the maintenance of international peace and security. Any state, whether a member of the Organization or not, could bring such a dispute to the attention either of the General Assembly or the Security Council. The General Assembly could discuss such disputes and make recommendations except where action by the Council is found to be necessary. The Council's function at this stage would be one of recommendation of methods of settlement and not of fixing and imposing the terms of a settlement. There would also be the possibility of resort by the parties to regional procedures of settlement, and the Council would be required to encourage settlement of local disputes through regional arrangements or agencies. If the parties failed to effect a settlement by these methods they would be obligated to refer the dispute to the Security Council.

Thus, we would have a very flexible procedure of adjustment and settlement, subject to the inflexible rule that a dispute should not under any circumstances be permitted to threaten the peace.

One additional important feature is the power of the Council to investigate any dispute or any situation which might lead to international friction or give rise to a dispute for the purpose of determining whether its continuance is likely to endanger the maintenance of international peace and security. This would enable the Council to meet its responsibility for seeing that disputes which might threaten the peace are dealt with at an early stage.

The international court of justice fits into this picture as the organ through which the parties to a dispute may seek judicial settlement. The proposals recommend that justiciable disputes should normally be referred to the international court of justice. The word *normally* is introduced here to indicate that a particular dispute, even though justiciable, might in a particular situation be dealt with better in the interests of peace by some other means. Also, it would of course be open to the parties to agree to refer a dispute to some other tribunal.

The distinctive feature of the international court of justice provided for in the proposals is that it is conceived as an integral organ and instrumentality of the Organization rather than as a separate and unrelated or loosely related body. Its statute would be annexed to and be a part of the Charter of the Organization. In contrast, the wholly separate character of the Statute of the Permanent Court of International Justice has always been stressed. Further, all members of the Organization would *ipso facto* be parties to the statute, and states not members could only become parties under conditions fixed in each case by the General Assembly upon recommendation by the Security Council. All this has the advantage of identifying the court with the Organization's procedure of pacific settlement and of bringing its business within the orbit of the Organization's enforcement procedures. The decisions of the court would presumably not be enforced as such, but they would have behind them the powerful pressure generated by the whole procedure of collective action, and they would be reenforced by the prospect of action to prevent any failure to abide by a decision that results in a threat to the peace.

The question of ancillary or subsidiary chambers or courts is left open in the proposals. May I call your attention, however, to the provision that the international court of justice should constitute the principal judicial organ of the Organization. I will not attempt to embroider that proposition except to remark that the word *principal* may offer a bit of encouragement to two of my colleagues on the panel. In the minds of lawyers, where there is a principal there must be an agent. So here presumably the possibility is not excluded of there being at some time ancillary or subsidiary chambers or courts.

The question is also left open in the proposals whether the statute of the court should be that of the existing Permanent Court of International Justice continued in force with such modifications as may be desirable, or a new statute based upon that of the Permanent Court. Whichever form the statute takes, there is the very difficult question of the procedure to be followed in bringing it into operation. Expressions of views on both these matters would be welcomed by the Department of State. One such expression in favor of continuation of the present Court with such adaptations of its Statute as may be necessary was communicated to the Secretary of State on November 8 by a distinguished group of international lawyers, including one of the speakers for the evening, Mr. George A. Finch. Moreover, as the statute of the court is yet to be negotiated, you have an opportunity to offer any suggestions you may have as to important features of the statute. It is an opportunity which I should think lawyers interested in international organization and especially in international judicial organization would embrace with pleasure.

Finally, I hope that this evening's program may have further stimulated you to subject to searching examination not only the question of international judicial organization, and the particular aspects of it emphasized in the course of the evening, but also the whole crucial program of general international organization presented to the people of this country and of the world in the Dumbarton Oaks proposals.

### **INFORMAL EXCHANGE OF VIEWS BETWEEN JOURNALISTS AND GOVERNMENT OFFICIALS**

[Released to the press December 8]

A group of magazine editors, writers, and book publishers were invited by the Writers' War Board, under the auspices of the Office of War Information, to meet with the Secretary of State and with other officials of the State Department in an informal exchange of views on the Dumbarton Oaks proposals. This meeting was held at the Savoy-Plaza Hotel in New York City on the evening of December 8, 1944.

The Secretary of State was accompanied by the following officers of the Department: Green H.

Hackworth, James Clement Dunn, Leo Pasvolsky, G. Hayden Raynor, and Alger Hiss.

Vice Admiral Russell Willson, who was a member of the American group at Dumbarton Oaks, was invited to attend this meeting, and accompanied the party to New York.

## **Present Problems in Greece**

[Released to the press December 7]

At his press and radio news conference on December 7 the Secretary of State referred to a question by a correspondent asking whether there was anything that could be said of interest on the Greek situation. The Secretary of State said:

"I was interested to note that in his statement on the Greek situation on December 5 Prime Minister Churchill told the House of Commons the following: 'Our own position, as I have said, is extremely clear. Whether the Greek people form themselves into a monarchy or republic is for their decision. Whether they form a government of the right or left is for their decision. These are entirely matters for them.' With this statement I am in full agreement. It is also our earnest hope that the people and authorities of Greece and our British Allies will work together in rebuilding that ravished country."

## **Consultation Among the American Republics Relating To International Organization**

*Statement by THE SECRETARY OF STATE*

[Released to the press December 7]

Although the exchanges of views amongst the 19 American republics concerning the question of a meeting of foreign ministers have progressed most satisfactorily, it was unfortunately not possible to complete them before the regular monthly meeting of the Governing Board of the Pan American Union on December 6. The question was not, therefore, taken up at that meeting.

A few of the governments are still giving consideration to some of the points involved in the consultations, and as I have previously said we do not wish to take any final and formal position on the matter until the exchange of views is completed.

# The Interest of the American Businessman in International Trade

ADDRESS BY ASSISTANT SECRETARY ACHESON<sup>1</sup>

[Released to the press December 8]

In what now seems like a former incarnation, I used to practice law. We had a tradition in our firm of asking any of us who was to argue a case a favorite question of one of our judges: "What is this case all about anyway?" It had a most devastating effect upon anyone over-saturated with details and brought him to the heart of the matter in short order.

The other day an officer of the National Association of Manufacturers asked me, "Why do you expect the majority of American manufacturers to be interested in foreign trade? Most of them do not sell abroad. Their market is at home. They know that the total foreign business of the United States—exports, imports, shipping, banking, insurance, tourist expenditures, capital investment and payments—are, in terms of percentage, small compared with the total financial and business activity of the United States. Why should they be interested in foreign trade?"

It was a fair question, a fundamental one. It deserves an answer. It requires, even more, the understanding of the American businessman. For the answer is that foreign trade and domestic trade are one and inseparable and that we cannot expect domestic prosperity under our system without a constantly expanding trade with other nations and between other nations.

The United States economy is today the richest, the strongest, and the most productive in the world. To keep prosperity levels of employment, production, and income, to reach the President's goal of full employment for 60 million workers, we shall have to find increasing markets for our production and increasing investment outlets for our capital. If there are any who believe that, in the immediate future, these markets and investment opportunities exist or are in prospect in this country alone, I have not heard them or read them.

Students of these matters estimate that, to maintain the level of production which we require for prosperity after the war, we must look for markets

abroad in the neighborhood of 10 billion dollars a year. This, they believe, would mean nearly 3 million jobs in industry, and foreign markets for the agricultural output of about a million people more. When you compare these jobs with the number of the men and women who will return from our fighting forces to peacetime work—it amounts to nearly one half—the importance of foreign trade begins to emerge.

Now let us look at the matter from another angle. To maintain the requisite level of production, we must take advantage of all sound opportunities for investment which will promote economic development and growth. The volume of new investment and development which we must have, in order to maintain expanding output and employment, exceeds the outlets which we can readily find at home. The investment of this excess abroad will make possible the necessary level of our exports—since for this period foreign nations will not be in a position to sell to us nor we to buy imports in such a volume.

Abroad we find a totally different situation. In Europe there will exist at the end of hostilities enormous demands for capital goods and capital investment of the United States to permit the rebuilding of devastated plants and transport and public-utility systems, as well as for consumers' goods. There will also be need for credits to assist in reconstruction of normal monetary, fiscal, production, and trade systems. In other areas of the world, methods of production have lagged markedly behind those of the most advanced industrial nations, and great opportunities exist for the employment of capital, capital goods, and improved techniques in the development of expanding and increasingly productive economies. There is no inherent reason why we should limit our investment horizons to our own boundaries and every reason why we should not.

So we begin our answer to the question before us with a word of reassurance and comfort. You should be interested in foreign trade for the most practical of reasons. You cannot achieve the highest possible prosperity at home without, for some years to come, a large and growing volume of

<sup>1</sup>Delivered before the War and Reconversion Congress of American Industry sponsored by the National Association of Manufacturers at New York on Dec. 8, 1944.

foreign trade and investment. Fortunately, it so happens that foreign countries need this trade and investment as much as you do. The situation has all the elements of a deal.

How then shall we realize the deal? How shall we bring together the domestic and foreign components of a prosperous economy?

The first necessity is an adequate domestic economic policy. In a world in which the national income of the United States moves back and forth, as it has in the past, between 60 billion dollars and 150 billion dollars, no foreign economic program and policy can work. No relationship can be maintained between our export and import trade nor between our foreign investments and our returns from them. The wisest program of foreign investment cannot possibly result in regular payments of interest, dividends, and principal if enormous drops in our own income force us to destroy our debtors. We do this when we abruptly stop further lending on the one hand, while at the same time we prevent payments to us by curtailing our imports and seek other payments by simultaneously pushing our exports.

Fortunately, there is unanimous agreement that the object of public policy and private endeavor must be to assure that the productive capacity of this country, which we have proved in time of war, shall continue to be utilized for the satisfaction of the needs of peace—with full employment and prosperity, free from fluctuations, and with steadily rising levels of income.

The second necessity is the creation of circumstances favorable to increased trade and economic activity throughout the world. These include:

(1) reasonable exchange-rate stability for considerable periods of time so that traders and investors may have some assurance as to the money in which they are dealing;

(2) assurance that exporters will get paid for their exports—not in some blocked foreign currency but in dollars with which to pay their expenses and distribute their profits;

(3) elimination of exchange discriminations and multiple-currency systems which have diverted trade from economic channels and have been used as a weapon of economic domination; and

(4) perhaps most important of all, the reduction of tariffs to reasonable levels which will per-

mit trade to be carried on, and the progressive elimination of quotas, preferences, and barriers to trade.

We have already made progress in achieving some of these goals. At Bretton Woods the technical representatives of 44 United Nations agreed on a proposal for the establishment of an International Monetary Fund which is before the governments for action. Much discussion of the International Monetary Fund proposal treats it as a simple financial device. It is much broader.

It provides "rules of the game"—that is, agreement of the member governments with respect to the maintenance of exchange rates and orderly change of exchange rates only when absolutely necessary. It provides for freedom from exchange restrictions and discrimination with respect to current trade and other current items of the balance of payments, including debt service. It will eliminate multiple currency systems. It assures the exchange of the foreign proceeds of exports to the exporters' own currency. So by agreeing to the International Monetary Fund the nations of the world would be agreeing to many of the assurances which I have mentioned above as being essential to the development of international trade and investment.

Finally the Fund provides a buffer pool of currencies to tide individual nations over periods of exchange stringency, making it possible for them to undertake the broad monetary commitments referred to as "rules of the game".

The third necessity is a sound foreign-investment policy directed toward the restoration of the devastated areas of Europe and the development of the productive capacity of other areas of the world, thus raising their levels of economic activity and that of the entire world.

The Government of the United States has for a number of years through the Export-Import Bank contributed modestly to the flow of foreign investment and to the carrying out of economic-development programs in certain of the countries of the world, notably in Latin America. Private lending must be stimulated to carry its proper share of the vastly increased necessity for foreign investment in the post-war reconstruction and development period. A principal mechanism for assisting in the revival of foreign investment is the International Bank for Reconstruction and

Development proposed at the Bretton Woods conference.<sup>1</sup>

It is the principal purpose of the Bretton Woods institution to encourage international investment by guaranteeing securities sold to private investors for approved projects of reconstruction and development. Where the market is not prepared to make loans on reasonable terms, the Bank would make the loan directly out of its own capital or from funds raised by issuing its own securities. The Bank will enter into such operations only after a careful investigation of each proposed project and a report that each project will contribute to the productivity of the country and is within the capacity of the borrower to service. I will not attempt here to go into the many provisions which assure the soundness of the operations of the Bank and especially give complete security to investors.

It will be necessary to supplement the operations of the proposed International Bank by expanded operations through the Export-Import Bank. In order to do this, and to provide for the satisfactory revival of private lending, the Johnson act and similar restrictions on private as well as governmental investment in certain countries should be eliminated.

The International Monetary Fund and the International Bank are not panaceas. The Fund will provide a setting for the development of an increased flow of trade. The Bank will aid in more basic shifts in the structure of production throughout the world. A sensible commercial policy—the reduction of trade barriers and the elimination of preferences and discriminations—is fundamental if lasting improvement in our international relationships is to be achieved.

This Government through the trade-agreements program has for 10 years been steadily plugging away at the removal of barriers to international trade. The Atlantic Charter and article VII of the master Lend-Lease Agreements reaffirm our purpose and that of other nations to press forward to this goal. We propose that this Government go on with this work even more vigorously, with more countries, and in a more fundamental and substantial way. It is equally important that other governments take steps to open up trade not only with the United States but with one another.

A successful carrying out of the policy outlined above of economic development by export of United States capital and capital goods, accompanied by like policies and programs of other capital-exporting nations, should over the years result in rapid and extensive increases in the productive capacity and efficiency of other nations of the world, increased capacity on their part to export, and changing but increasing demands for imports. It is at this point that the full benefits of reduced barriers to trade will be reaped—in continually expanding markets for our exports, and even more greatly increasing imports into the United States, which will make possible the servicing of our foreign investment.

If, on the other hand, we neither maintain by a sound domestic policy an increasing level of employment, production, and income at home, nor reduce, by a sensible commercial policy, barriers to trade and especially to imports into the United States, our foreign investments and entire foreign economic policy can only come to frustration.

To sum up, this is your interest in foreign trade and investment: We can make our total employment, production, and income greater if for some years we are prepared to make a portion of our production and of our savings available to foreign countries through an excess of exports—largely in the capital-goods field—financed by American investment abroad. The additional real income available within the United States as a result of such a program will exceed by several times the net real product thus exported. Over the years we must by means of an adequate domestic policy attain expanding income and employment at home, so that fluctuations in our volume of business do not destroy economic progress abroad. Finally, if we are to receive return from our foreign investment, and if we are to maintain the foreign markets which are required for a high level of employment and activity in this country, both we and other countries will have to reexamine and revise our past policies under which international trade was put in shackles and production was restricted or directed into costly and uneconomic lines. Then we will be rewarded not only by high income produced at home but by the advantages arising from international specialization of production and by the real returns corresponding to the interest and dividends on our foreign investments.

<sup>1</sup> BULLETIN of Nov. 5, 1944, p. 539; and *United Nations Monetary and Financial Conference*, Department of State Publication 2187.

# Operations of UNRRA

## FIRST QUARTERLY REPORT

[Released to the press by the White House December 5]

The text of the President's letter of transmittal of the first quarterly report on UNRRA to the Congress follows:

TO THE CONGRESS OF THE UNITED STATES OF AMERICA:

I am transmitting herewith the first quarterly report on UNRRA expenditures and operations in accordance with the Act of March 28, 1944, authorizing United States participation in the work of the United Nations Relief and Rehabilitation Administration.

The enemy has been driven out of all or virtually all of the Soviet Union, France, Greece, Belgium, and Luxembourg. Parts of the Netherlands, Yugoslavia, Poland, Czechoslovakia, and Norway, as well as the Philippines, New Guinea, New Britain, and Burma have been liberated by the armed forces of the United Nations. Those forces—more powerful each month than the month before—are now striking additional blows to complete the task of liberation and to achieve final victory over Germany and Japan.

UNRRA was established by the United Nations to help meet those essential needs of the people of the liberated areas which they cannot provide for themselves. Necessary relief stocks are being acquired and the personnel recruited to assure efficient and equitable administration of relief supplies and relief services. As rapidly as active military operations permit, UNRRA is undertaking operations in the field. UNRRA representatives are already in or on the way to liberated areas of Europe and are preparing to go to the Pacific and Far East. The colossal task of relieving the suffering of the victims of war is under way.

The conditions which prevail in many liberated territories have proven unfortunately to be fully as desperate as earlier reports have indicated. The enemy has been ruthless beyond measure. The Nazis instituted a deliberate policy of starvation, persecution, and plunder which has stripped millions of people of everything which could be destroyed or taken away.

The liberated peoples will be helped by UNRRA so that they can help themselves; they will be

helped to gain the strength to repair the destruction and devastation of the war and to meet the tremendous task of reconstruction which lies ahead.

All the world owes a debt to the heroic peoples who fought the Nazis from the beginning—fought them even after their homelands were occupied and against overwhelming odds—and who are continuing the fight once again as free peoples to assist in the task of crushing completely Nazi and Japanese tyranny and aggression.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,

December 5, 1944.

## Death of Ambassador of the Dominican Republic

Statement by THE PRESIDENT

[Released to the press December 9]

The news of the sudden death of His Excellency Anselmo Copello, the Dominican Ambassador, has deeply grieved me. In the year which he has been among us, he has served his country with distinction, and he has won our friendship and respect. We shall all feel his loss deeply and shall remember him not only for his qualities as a diplomat but also for his personal charm. I am sending to President Trujillo of the Dominican Republic my condolences at the loss of such an able public servant of the Dominican people.

Statement by THE SECRETARY OF STATE

[Released to the press December 9]

I have been greatly grieved to learn of the death of the distinguished Ambassador of the Dominican Republic, His Excellency Anselmo Copello. In my association with him in dealing with problems of mutual interest, I have come to know his outstanding qualities as a diplomat and a friend. He has represented his country with distinction and has always evinced a most helpful spirit of cooperation in dealing with matters of common concern. The Dominican people will rightly mourn the passing of a gifted statesman, and his many friends in this country will sincerely share their sorrow.

# International Civil Aviation Conference

ADDRESS BY ADOLF A. BERLE, JR., AT FINAL PLENARY SESSION<sup>1</sup>

[Released to the press by the International Civil Aviation Conference December 7]

## COLLEAGUES WHO HAVE BECOME FRIENDS:

The thanks which have been offered by Lord Swinton on behalf of Great Britain and by Dr. Chang on behalf of China are not due to me as President of this conference, nor even to the Government of the United States. They have, however, been fully earned by the delegates and workers from all countries at this conference on the law of the air.

I am bold to think that history will approach the work of this conference with respect. It has achieved a notable victory for civilization. It has put an end to the era of anarchy in the air.

When we met, the air of every country was closed to every other country. Every plane which passed its own national border was assumed to be an enemy.

Little burrows had been cut through air frontiers by private concessions granted as favors to private companies, or occasionally to favorite governments. These special privileges—for that is what they were—had begun to be the foundation of companies not unlike the imperialist trading companies of the sixteenth and seventeenth centuries. There was serious danger that the air of the world would become an instrument by which the few could exploit the many. The air, which is God's gift to everyone, was in danger of becoming a method of levying tribute on the masses of the world.

In this situation there was danger that the historic pattern would repeat itself: that trading concessions would mix with

political concessions and diplomatic intrigue and that these in turn would lead in future decades to wars. This was the early history of the sea. The sea was finally made a highway of order and peace by great continental thinkers like the father of international law, Hugo Grotius, and by the clear vision of British thinkers and statesmen, among whom must be mentioned Lord Stowell and the great British Premier, Pitt.

I believe it will be found that without having to undergo two centuries of war and terror, we have begun to lay a foundation for freedom under law in air transport.

Through a general convention we have established a base for common air practice throughout the world. This will be that a plane from whatever part of the world can fly safely throughout the earth and land safely in any port on any continent, following signals and practices established and understood everywhere. This may be called the technical freedom of the air.

By two companion documents, effective both provisionally as executive agreements and permanently in treaty form, the free planes of peace-loving nations are offered peaceful passage through the air of other free nations and the right to find free ports of call.

The first of these documents is the agreement of the two freedoms—the freedom of peaceful transit and the freedom of non-traffic stop to refuel, repair, or take refuge in storm. It is a lasting tribute to the underlying fairness and justice of Great Britain that she proposed and sponsored the general adoption of these freedoms. This meant, to her, giving up a possible

## TELEGRAM FROM PRESIDENT ROOSEVELT TO THE PRESIDENT OF THE CONFERENCE

[Released to the press by the International Civil Aviation Conference December 5]

ADOLF A. BERLE, Jr.,

*Stevens Hotel, Chicago.*

My hearty congratulations on the excellent work done by the International Civil Aviation Conference. The conclusions reached mark an important step toward the use of air transport for the benefit of all mankind. I hope that the results achieved will meet with the approval of all Delegations present.

FRANKLIN D. ROOSEVELT

<sup>1</sup> Delivered at Chicago on Dec. 7, 1944.

stranglehold on the Atlantic crossings, which must take off or land at Newfoundland, making it possible for planes from North America to transit the Atlantic Ocean. I am glad to think that on our side acceptance means that in the Pacific, where we hold a like stranglehold, we have made it possible to connect the great British Commonwealths of Australia and Canada. These freedoms are of course available not merely to the United States and Britain and the Commonwealths but to all countries who come in peace and friendship.

The second agreement may be called the agreement of the five freedoms. Proposed by the Delegation of the United States, it likewise is drawn both in provisional form as an executive agreement and in permanent form as a treaty or convention. This proposes to all nations who agree an exchange not merely of the freedoms of transit and of non-traffic stop but likewise freedom to take traffic from the homeland to any country who may agree, to bring traffic from any country to the homeland, and to pick up and discharge traffic at intermediate points. There is, of course, reserved to each country the sole right to carry traffic within its own territories; and each country may reserve, should it so desire, the right to prevent pick-up traffic within its borders. By this mutual exchange of privileges the outlines of the future trade of the air begin to appear.

But the nations here assembled have realized that these freedoms, like all freedoms, are capable of abuse. Therefore, they have established a world organization consisting of a council which is responsible to a periodic assembly of all nations. To this council there will flow a steady stream of information. To it also is assigned the task of administering technical regulations for the common use and benefit of air transport throughout the entire world. And, in case of abuse of freedoms leading to hardship or injuries, the council becomes a forum in which any nation may plead its cause. The council may seek to remedy the difficulty through consultation and sound advice; in extreme cases it may recommend suspension of the offending member until the grievance is cured. By two-thirds vote the assembly may take such action.

Other clauses protect the rights of small nations to have service from planes which use their territory and protect all nations from discrimination or exclusion.

Finally, from now on air agreements throughout the world must be open covenants known to all. The day of secret diplomacy in the air is past.

The opportunities thus provided are available to every nation great and small. This conference has not sought to protect any vested interest, and it has also safeguarded the position of the air carriers who are presently rendering service. By democratic procedure and open vote it has offered representation to the entire world, as it has safeguarded opportunity for all.

We met in the seventeenth century in the air. We close in the twentieth century in the air.

We met in an era of diplomatic intrigue and private and monopolistic privilege. We close in an era of open covenants and equal opportunity and status.

These issues were before the Air Conference of Paris in 1919 at the close of the last war, and that conference was unable to find a solution. They were met again at the Habana convention in 1929, and that conference passed the problem by. Here we have met the issue squarely and have I think laid the foundation for its solution.

Let me pay tribute to the Delegation of Great Britain, which approached the problem primarily from the point of view of order in the air. We on our side approached it from the point of view of freedom of the air. From these opposite angles we have nevertheless found common ground.

Let me also pay tribute with particular affection to the Canadian Delegation, which tirelessly worked to reconcile the different points of view. Indeed to the Canadian thought and the Canadian draft we owe the language which we are now using, even to the phrase "the freedoms of the air". To the other delegations thanks in generous measure is due: to that of South Africa, whose delegation provided a chairman for the committee which drafted the rules of air navigation; to the Netherlands, which provided the chairman for the committee which drafted the enormous mass of technical annexes unrivaled in their thoroughness and completeness; and to Brazil, whose delegation provided the chairman for the committee which worked out the interim agreement setting up the international organization on civil aviation which now becomes the heir to the work of this conference.

*(Continued on page 732)*

# Resumption of Private Trade in Liberated Areas: A Progress Report on the Work of the Special Economic Mission

By DONALD S. GILPATRIC<sup>1</sup>

The Special Economic Mission, under the chairmanship of Ambassador William S. Culbertson, has been studying the prospects of restoring to normal commercial channels United States trade with areas that have been under wartime economic restrictions. Perhaps the most significant observation that can be made about the Mission is to cite its composition as a government-business team which is exploring in the foreign field a problem equally important to both. The traditional United States policy is one of commercial freedom in international trade. The complicated supply and control arrangements which the war has necessitated have created new trade barriers and dislocations which have stymied the resumption of private trade, even in those areas from which military activity and interest have long since been removed. The Special Economic Mission, which since July has been traveling in North Africa, the Middle East, and Italy, was specifically commissioned to study in those areas conditions and controls which were holding up the return of trade to normal channels. The Mission's reports are expected to be of major value in assisting both the Government and business interests to agree upon a course to implement United States trade policy.

The Mission was organized originally as a group of businessmen only, to look into these problems under the sponsorship of the Department of State and the Foreign Economic Administration. After the business group was selected, the representation was enlarged to include membership from the Departments of State and Commerce and from FEA, in order to avoid any possible misunderstanding by foreign governments of this Government's interest in the areas on the itinerary and in order to emphasize the unanimity of public and private United States interest in the problems under consideration by the Mission. The recommendations and conclusions of the Mission should be received

with considerable respect by those in Government and trade here who are properly concerned.

The qualifications of the members of the Mission are outstanding. In the selection of a chairman the Government was fortunate in obtaining the services of Col. William S. Culbertson, who had previously held senior diplomatic posts in Rumania and Chile and who, as former vice chairman of the Tariff Commission, was thoroughly familiar with the evolution of United States trade policy. In appointing Ray Miller, Associate Director of the Bureau of Foreign and Domestic Commerce, and Homer S. Fox, Consultant in the Division of Commercial Policy, Department of State, those responsible showed a real appreciation of the importance of the Mission's work in laying the foundation for future action by the Government. Both Mr. Fox and Mr. Miller have had foreign experience in the trade-promotion field and both have been prominently associated with the agencies of the United States Government in Washington which are responsible for this work.

The businessmen on the Mission were chosen from the ranks of foreign traders. John L. Gillis, leader of the business group, was formerly in charge of exports for the Monsanto Chemical Company and is now an officer for Johnson and Johnson International. He therefore represented the views of manufacturing exporters in the drug and chemical fields. Richard C. Thompson, export manager of Electric Auto-Lite, represented manufacturing exporters in the field of automotive electrical equipment and accessories. Victor Bowman, executive vice president of the American Steel Export Company, was an able exponent of the views of the export trade. All three of these men have been prominently associated with the work of the National Foreign Trade Council. William M. Friedlander, the fourth member of the business group, is a well-known importer and an active participant in the National Council of Importers. The FEA designate, Van Lear Woodward, represented both his agency and trade in that he has been an officer of the U.S. Commercial Company for the past two years, and before that time he was

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<sup>1</sup> Mr. Gilpatric, Assistant Chief of the War Areas Economic Division, Office of Wartime Economic Affairs, Department of State, was Secretary of the Special Economic Mission while it was in French North Africa.

associated with Frazar and Company, a prominent export-import house.

The planned itinerary of the Mission covered three areas of varying wartime restriction. In North Africa the Mission studied conditions as they existed after almost two years of liberation, during which period trade was handled on a government-to-government basis, since normal trade lines were disrupted because of wartime supply and shipping needs. In the Middle East, the Mission saw an area where, for nearly a year and a half longer than in the case of North Africa, export and import restrictions resulting from the war have been in force. In Italy, most typical as a liberated area of all the territory covered, the Mission has been studying trade developments and problems emerging after a little more than a year of military occupation. The investigation of trade conditions under such varying circumstances should not only enable the members of the Mission to arrive at constructive conclusions which are based on observations of commercial practice at various stages in the period of rehabilitation, but it should also assist in hastening this Government to accept a program which will eliminate many of the delays thus far encountered in restoring normal conditions of import and export trade.

From the preliminary statements thus far received, it is possible to predict certain conclusions which the Mission will undoubtedly reach. The most important of these conclusions is the fundamental difference between the problems of stimulating private export trade from this country and private import trade into it. Foreign governments, having a present and continuing need for United States supplies, seem to be intensely interested in stimulating their exports to this country, especially those items which are not in critically short supply and which, therefore, are not subject to controlled destination. Such surpluses, which are a source of needed foreign exchange, are subject to considerably less control than any other category of items in foreign trade. The main problem existing for these exports seems to be one of finding shipping space and a buyer in the United States. At the same time there are price difficulties, since almost every country in the world has suffered to some degree internal inflation. This condition, in turn, makes cost of production and commodity prices too high for the world markets. Whether such problems can be solved by trade acting independently and alone is a point on which

the conclusion of the Mission will be studied with great interest in Washington. The members of the Mission thus far have seemed impressed with the need for Government assistance in expediting export transactions abroad during the period of readjustment from wartime to peacetime economic conditions and in stimulating United States imports into new channels, looking toward an increase and eventually toward a closer balance in our foreign trade.

Our natural desire to encourage exports from the United States through normal private channels is offset now by necessary exchange and distribution controls in other countries. Shipping shortages and the almost complete absence of inventories and luxury stocks as a result of the stringent war-supply programs have led importing countries to adopt strict measures of distribution control. The framework under which these controls are established usually involves the formulation of an import program, with sources of supply indicated for either shipping supply or exchange reasons, and against which program import permits are issued. There seems to be no immediate prospect of eliminating all of these controls abroad, even though increased civilian-goods production in this country may permit us to relax our internal controls and export regulations and thus increase our exports abroad in accordance with shipping opportunities. Another problem is the possible maintenance of bulk-buying procedures by foreign governments and the refusal for various reasons on the part of other governments to permit freedom of importers' choice. The Mission needed no time to discover that bulk buying, whether through lend-lease or through foreign-government procurement machinery, is a serious threat to normal trade relations and a breeder of distribution maladjustments which may take many months or years to correct. There has been terrific pressure on our Government to relax trade controls on the assumption that private enterprise could take care of itself. If such controls are maintained at the other end of the trade line, private exporters may find the resulting problems insoluble for them on the basis of individual treatment. The Mission is giving its particular attention to the possible need for collaboration between government and business in restoring and protecting private trade and, if such is desirable, also to the nature of what that collaboration should be.

A subsidiary but none the less important part

of the job was the Mission's study of the mechanical difficulties of encouraging more normal trade relations in the Mediterranean area. The greatest of these difficulties is the restriction on commercial travel and communication, both of which essential forms of contact have been severely curtailed during the war period. Other complications are the extremely limited internal-transport and shipping facilities which restrict the flow of unessential goods to a minimum and which often result in complete reorganization of commercial practices abroad. The post-war period will find an enormous backlog of commercial interests in the Mediterranean because of the practical cessation of established peacetime relations and because of new commercial interests which have developed as a result of United States military and supply contributions to that area. There is no prospect of a sudden metamorphosis in the conditions which have obstructed the free flow of trade during the war. Nor is this Government alone concerned with the solution of that problem. In view of the current and substantial interest of private business in learning of economic conditions in liberated areas and in sponsoring independent analyses of these conditions, the advice of the Mission members in this respect should furnish a cogent argument as to the desirability of sponsoring other special economic missions as the war in Europe progresses.

The reports of the Mission will be made to this Government, but the business members of the group served with the understanding that they would be free on their return to discuss informally their conclusions with other private businessmen. Throughout their association with the Mission, the non-Government members have had complete access to the sources of information on which this Government would presumably base its conclusions. It is therefore hoped that the work of the Mission will not only prove valuable as a thorough cross-section of opinion from public servants and private industry but will also give prominent circulation to the more pertinent and realistic appraisal of conditions in liberated areas, which can be expected to be even more acute in other than Mediterranean territories, to private businessmen in this country who have been previously urging a program of removal of restrictions—a removal which seems impractical to most Government representatives who have actually faced supply problems in the field.

## Present Problems in Italy

[Released to the press December 5]

The Department of State has received a number of inquiries from correspondents in regard to the position of this Government concerning the recent cabinet crisis in Italy.

The position of this Government has been consistently that the composition of the Italian Government is purely an Italian affair except in the case of appointments where important military factors are concerned. This Government has not in any way intimated to the Italian Government that there would be any opposition on its part to Count Sforza. Since Italy is an area of combined responsibility, we have reaffirmed to both the British and Italian Governments that we expect the Italians to work out their problems of government along democratic lines without influence from outside. This policy would apply to an even more pronounced degree with regard to governments of the United Nations in their liberated territories.

## Control of Persons Entering And Leaving the United States<sup>1</sup>

On November 30, 1944 the Acting Secretary of State, pursuant to statutory authority, further amended by the substitution of a new paragraph for paragraph (d) of Part 58—Control of Persons Entering and Leaving the United States Pursuant to the Act of May 22, 1918, as amended—as follows:

*“Exceptions to regulations in 58.1–58.2. (d) When traveling between points in the Virgin Islands of the United States and points in the British Virgin Islands, the British islands of Anguilla, St. Kitts, and Nevis; the French island of St. Bartholemew and the French portion of the island of St. Martin; the Netherlands islands of St. Eustatius and Saba, or the Netherlands portion of the island of St. Martin: Provided, That this exception shall not be applicable to any such person who is not a resident of one of the aforesaid islands or who, if such a resident, is traveling to or arriving from a place outside of the Virgin Islands of the United States for which a valid passport is required under these rules and regulations; or”.*

<sup>1</sup> 9 *Federal Register* 14410.

# Limitation of the Production of Opium

By GEORGE A. MORLOCK<sup>1</sup>

The Secretary of State in a statement released to the press on July 3, 1944 announced that the Department of State, having received instructions from the President pursuant to House Joint Resolution 241 (Public Law 400, 78th Cong.), known as the Judd resolution, concerning the limitation of the production of opium throughout the world to medicinal and scientific requirements, would undertake to secure the cooperation of the opium-producing countries in the solution of this problem.<sup>2</sup> In compliance with that resolution the Department addressed instructions to its missions to the Afghan, British (for India and Burma), Chinese, Iranian, Mexican, Soviet, Turkish, and Yugoslav Governments, enclosing the texts of the resolution and of draft memoranda with the request that they be transmitted to those Governments in such manner as the missions might consider appropriate. These are the Governments of the principal opium-producing countries with which the United States has friendly relations. Other countries which authorize the production of opium in quantity are Bulgaria, Chosen, and Japan. Only small quantities of opium are produced in Indochina and Thailand.

The draft memoranda were similar but not identical, since consideration had to be given to the peculiar conditions prevailing in each country. For instance, Afghanistan has produced opium both for internal consumption and for exportation for the manufacture of narcotic drugs; India's production, which has been gradually reduced since 1926, is used mostly for domestic consumption (smoking and eating); China has forbidden the production of opium, but production continues in the Japanese-occupied areas and in western Yunnan and southern Sikang; Iran has produced large quantities of opium for internal consumption (smoking and eating) and for exportation for use in the manufacture of prepared opium and the manufacture of drugs; Mexico, notwithstanding laws prohibiting the cultivation of the opium poppy, is obliged constantly to combat illicit cultivation; the Union of Soviet Socialist Republics limits production strictly to that for medicinal and

scientific purposes; Turkey exports practically its entire production for the manufacture of drugs, but prior to 1941 part of Turkey's production was shipped to the Far East for use in the manufacture of prepared opium; Yugoslavia's entire production for many years has been devoted exclusively to the manufacture of opium alkaloids.

Opium poppies are being grown also in Argentina, Australia, Chile, Czechoslovakia, Denmark, Germany, Hungary, the Netherlands, and Poland for the direct extraction of morphine from poppy straw. In the countries where opium poppies are cultivated, poppy seeds and oil are valuable by-products and are important in commerce.

In nearly all opium-producing countries the soil is prepared and the poppy is sown in September. Harvesting takes place in May and June by incising the poppy capsules with special small knives. The latex, which begins to flow as soon as the incision is made, gathers on the capsule and hardens. It is collected usually within 12 hours. The number of incisions made depends upon the size of the capsule. Between 20,000 and 100,000 capsules need to be cut in order to obtain one kilogram of opium. The collection of opium involves much labor; the production of opium, therefore, is not economical in countries where labor is scarce and costly. In Turkey, for example, an experienced worker may collect from 200 to 300 grams in a day. In other words, one person collects only one kilogram in four days. One hectare (2½ acres) in Yugoslavia will produce 8 kilograms (17.6 lbs.), in Turkey, 10 kilograms (22 lbs.), and in Iran, 18 kilograms (39.6 lbs.) in a normal season. In 1939 U. S. importers were paying \$7.10 a kilogram for Turkish opium. That figure barely covered production costs, but in 1942 the price rose to \$18.70. As soon as the war is over, the great demand for drugs for military requirements will cease, and the present high prices will probably drop to the 1939 level.

<sup>1</sup> Mr. Morlock is an officer in the Division of International Labor, Social and Health Affairs, Office of Economic Affairs, Department of State.

<sup>2</sup> BULLETIN of July 9, 1944, p. 47.

It is imperative that the opium-producing countries give consideration immediately to the opium-production problem in order that production may be limited to world medicinal and scientific needs and that prices may be maintained at a level that will insure a fair return. The present producers will wish to be protected from competition that may arise from new opium producers, from the producers of morphine from poppy straw, and from the manufacturers of the synthetic drug, isonipecaine (also known as dolantine and demerol), which is a substitute for morphine. No country can solve the problem alone. In order to limit and control the cultivation of the opium poppy and the production of raw opium and to control other raw materials for the manufacture of opium alkaloids, there is a need for international cooperation between the producing and consuming countries, for the exchange of views and suggestions, and for the drafting of an international convention to which every country in the world shall be a party. By such a procedure it is believed that the objectives of the Judd resolution can be fulfilled.

The United States is in a favorable position to use its good offices in an effort to bring about an international agreement on this subject. It has set an example for other opium-consuming countries to follow by enacting a law (Public Law 797, 77th Cong., 2d sess.) controlling the production and distribution of the opium poppy and its products. Narcotic Regulations 7, issued under this law, stipulates that the Commissioner of Narcotics "shall issue a license to produce the opium poppy only when, in his opinion, the medical and scientific needs of the United States for narcotic drugs cannot be met by the importation of crude opium." To date no production of opium poppies whatever has been licensed. The United States, to which a large illicit traffic is directed, regards opium as a dangerous product, over which restrictive control must be exercised for the common good not only of its own people but of the people of all countries. The United States Government is therefore suggesting that opium production be controlled by international agreement in order that there may be an adequate supply constantly available, with no surplus for the illicit traffic.

In the implementation of the Judd resolution

the United States Government, in its notes to the governments of the opium-producing countries, states that it is prepared to cooperate with all nations in efforts to solve the opium problem and that it hopes that all opium-producing countries will be willing to participate in a conference which is expected to be held after the war for the purpose of drafting a suitable poppy-limitation convention. Pending the entering into effect of an international poppy-limitation convention, our Government is suggesting to all the opium-producing countries, except China and Mexico, which have prohibited the cultivation of the opium poppy, that they give consideration to the advisability of announcing at the earliest possible moment that they will hereafter prohibit the production and export of opium for other than strictly medicinal and scientific requirements and that they will take effective measures to prevent illicit production of opium in their territories and illicit traffic in opium from their territories. Our Government is also asking the governments of the opium-producing countries for their observations in regard to certain provisions which this Government has suggested be incorporated in the proposed poppy-limitation convention.

The Judd resolution, which has received the full support of the people of the United States, will, it is hoped, attain the following results: That China's allies in the Far East will render China appropriate cooperation and assistance in enforcing the prohibition of opium-poppy production in all areas which will be liberated from Japanese occupation; that the countries at the present time producing opium will not increase production; that those countries which have not heretofore produced opium will not begin production; that the countries permitting the extraction of morphine from poppy straw will freeze production at present or lower levels; that all countries which have not yet done so will place the production and distribution of the synthetic drug isonipecaine under the control of their narcotic laws; and that in anticipation of the time when a poppy-limitation convention will enter into effect, those countries which have legalized the production of opium for non-medicinal purposes will wish to consider the advisability of enacting laws at an early date prohibiting such production.

## Exchange of Notes Between the Government of the United States and the Government of Afghanistan<sup>1</sup>

The American Minister to Afghanistan, C. Van H. Engert, sent the following note,<sup>2</sup> dated September 26, 1944, from Kabul, to the Minister of Foreign Affairs of Afghanistan, His Excellency Ali Mohamed Khan:

"Referring to this Legation's Memorandum of June 20, 1944, on the subject of Opium Control,<sup>3</sup> I am instructed by my Government to transmit to the Royal Afghan Government the attached further Memorandum, dated September 22, 1944, in which the Government of the United States points out the desirability of limiting the production of opium all over the world to the amount required for medicinal and scientific purposes, and in which it suggests that after the war an international conference be held for the purpose of drafting a suitable convention limiting the production of raw opium and preventing the illicit traffic in opium.

"Identical suggestions are being made to each opium-producing country with which my Government has friendly relations.

"I avail myself of this opportunity to renew to Your Excellency the expression of my highest consideration."

The memorandum transmitted from the Government of the United States to the Government of Afghanistan follows:

### MEMORANDUM

With further reference to the Legation's Memorandum of June 20, 1944, there is transmitted to the Royal Government of Afghanistan a copy of Public Law 400, Seventy-eighth Congress of the United States of America, approved on July 1, 1944. In compliance therewith the Government of the United States urges the Government of Afghanistan to take steps to limit the production of opium in Afghanistan to the amount required for medicinal and scientific purposes.

As the Government of Afghanistan is aware, the Governments of the United Kingdom and the Netherlands, after pursuing for many years a policy of gradual suppression of the use of smoking opium, announced on November 10, 1943, their decisions to prohibit the use of smoking opium in

their Far Eastern territories when those territories are freed from Japanese occupation, and not to re-establish their opium monopolies. Copies of those announcements, together with the statements made by spokesmen of the United States and Chinese Governments on November 10 and 24, 1943, respectively, were attached to this Legation's above-mentioned Memorandum of June 20, 1944. Following the surrender of Japan, this Government, in cooperation with other interested Governments, will do everything possible to prevent Japan and the Japanese from spreading the use of narcotics for the satisfaction of addiction.

After the war, as a result of the decisions of the British and Netherlands Governments and the uncompromising attitude of the Chinese and United States Governments, there will be no legitimate market for smoking opium in a vast Far Eastern area. Consequently, in future, exports of opium will have to be limited to the demands of the world market for opium for medicinal and scientific requirements.

This Government concurs in the opinion of the British Government, as stated in its announcement of November 10, 1943, in regard to the prohibition of smoking opium in the Far East that "The success of the enforcement of prohibition will depend on the steps taken to limit and control the production of opium in other countries." In this connection the total requirements of the world for raw opium for the years 1933 to 1938, as computed from the League of Nations documents O. C. 1781 (1), August 27, 1940, and O. C. 1758, April 15, 1939, are reproduced below:

	For manufactured narcotic drugs	For prepared opium	Total Kilograms
1933	227, 494	297, 325	524, 819
1934	245, 201	348, 503	593, 704
1935	255, 808	326, 047	581, 855
1936	323, 114	345, 949	668, 063
1937	343, 841	390, 148	733, 989
1938	312, 832	374, 248	687, 080

<sup>1</sup> BULLETIN of Nov. 26, 1944, p. 629.

<sup>2</sup> No. 459, enclosure no. 1 with despatch no. 578, Nov. 12, 1944, from the American Legation at Kabul.

<sup>3</sup> Not printed.

During the period immediately after the war, it is estimated that the world market for opium for medicinal and scientific purposes will require about 400,000 kilograms of opium, whereas world production of raw opium for the year 1944 has been estimated by experts of this Government, in the absence of exact figures, as amounting to about 2,400,000 kilograms. There is also an estimated production in Central Europe of morphine direct from poppy straw, totalling about 8,500 kilograms.

The United States Government believes that it is necessary to limit and control the cultivation of the opium poppy in order to suppress drug addiction and the illicit traffic, and is prepared to cooperate with all nations in efforts to solve the problem. It hopes that Afghanistan and all other opium-producing countries will be willing to participate in a conference which is expected to be held after the war for the purpose of drafting a suitable poppy limitation convention, preparations for which were undertaken several years ago by the Opium Advisory Committee.

In the hope of expediting and promoting agreement, the United States Government suggests that the proposed convention should contain provisions:

1. Stating in clear language that its objectives are (a) to suppress the abuse of narcotic drugs, and (b) to supplement the Hague Opium Convention of 1912.

2. Restricting the cultivation of opium poppies for the production of raw opium to the countries which have been producing opium in quantity for many years, and restricting the number of countries which may export opium to not more than five of the largest producers.

3. Restricting the cultivation of opium poppies for the direct extraction of morphine to present or lower levels, and prohibiting the exportation of any of the extracted morphine.

4. Establishing a Control Body consisting of not more than seven members who shall have adequate powers to enforce compliance with their decisions.

5. Requiring all countries and territories to submit estimates of their requirements for raw opium annually to the Control Body.

6. Specifying that each opium producing-exporting country be allotted by the Control Body an annual production and export quota.

7. Requiring all importing countries and ter-

ritories to buy in a given year the quantities of opium estimated as needed for that year.

8. Assuring to the producer a fair return.

9. Requiring the standardization of opium by all producers.

10. Requiring the licensing and complete control of all cultivators by the national authorities, with the submission annually of accurate statistics covering the area cultivated and the quantity of opium produced.

11. Incorporating a system of complete and absolute government control over the distribution of opium and any products of the poppy containing morphine, and over all stocks of opium.

12. Stipulating that the parties to the proposed convention which are not parties to the Geneva Drug Convention of 1925 agree to apply Chapter V of the latter convention, which sets up a system of import permits and export authorizations for the control of the international trade in opium and other dangerous drugs.

13. Prohibiting a producing country which becomes a party to the convention from supplying, directly or indirectly, consuming countries which have not become parties to the convention, and prohibiting consuming countries which become parties to the convention from buying from producing countries which have not become parties to the convention.

14. Stipulating that opium coming from States which are not parties to the convention shall not be allowed to pass through the territory of parties to the convention.

15. Calling for the prohibition of the manufacture, importation, exportation, and use of smoking opium, and the closing of opium monopolies.

16. Stipulating that a consuming country, either in the event of a demonstrated discrimination against a consuming country in the matter of supply, or in the event of an emergency arising which interferes with or closes the existing source of supply of the said consuming country, may become a producing country, but only with the consent of the Control Body.

17. Insuring the absolute and complete independence of the Control Body.

18. Establishing a businesslike and specific arrangement whereby the parties to the convention accept responsibility for, and agree to pay each their fair share of, the cost of implementation through machinery set up by the convention.

The Government of Afghanistan will doubtless concur that only an international agreement limiting the production of raw opium and restricting the production of poppy straw for the direct extraction of morphine, can protect the international market for raw opium against the competition which would result were poppy straw to be produced not only in the countries where it is now being produced but in many other countries also. One of the aims of United States policy is to have poppy straw production frozen at present or lower levels. This objective will be strongly supported at the contemplated poppy limitation conference.

Pending the entering into effect of an international poppy limitation convention, this Government suggests that it would be helpful if the Government of Afghanistan would give immediate consideration to the advisability of announcing at the earliest possible moment that it will hereafter prohibit the production and export of opium for other than strictly medicinal and scientific purposes, and will take effective measures to prevent illicit production of opium in its territories and illicit traffic in opium from its territories.

The Government of the United States is now making this same suggestion to each opium-producing country with which it has friendly relations. It believes that the adoption of such a policy by each of those countries would go far to ensure the success of the prohibition of the use of prepared opium in the Far East, and to safeguard all countries against the possibility of an era of increased drug addiction similar to that which followed the first World War. It may be pointed out that if most of the opium-producing countries were to make sacrifices for the common good by limiting production to an authorized proportion of the total quantity of opium required by the world for medicinal and scientific purposes, and one country were to continue to produce large quantities annually for its own non-medical use, the law of supply and demand would inevitably cause such a reservoir to be drawn upon by illicit traffickers for their supplies.

It would be appreciated if the Royal Government of Afghanistan would inform the Government of the United States at an early date whether it is prepared to make the suggested announcement concerning the limitation of the production of

opium to medicinal and scientific requirements. It would also be appreciated if the Government of Afghanistan would communicate to this Government its observations in regard to the provisions which this Government has suggested be incorporated in the proposed poppy limitation convention.

KABUL, September 22, 1944.

A translation of the note, dated November 11, 1944 (Akrah 19, 1323), from the Ministry of Foreign Affairs, Division of Internal Affairs, replying to the note of the American Minister to Afghanistan follows:

No. 649/349

The Royal Afghan Ministry of Foreign Affairs presents its compliments and, referring to the Legation's note No. 459 of September 26, 1944, has the honor to state that, following upon the request of the Legation, this Ministry has received information from the Department of Agriculture that the Ministry of National Economy recently reported to the Council of Ministers concerning the difficulties with respect to the cultivation of and trade in opium and, after compliance with the legal requirements, has received the following resolution of the Council of Ministers on the subject:

"Although opium is considered one of the export products which enjoy a ready and profitable market abroad at present, its cultivation in view of the non-existence of the necessary controlling organizations, has evil effects, both morally and materially, upon the public health. For this reason the Council of Ministers has passed a resolution that the cultivation of opium be prohibited as from the beginning of 1324 (March 21, 1945). The Ministry of National Economy should notify, by means of signed orders of the Prime Minister and the publication of notices in the press, all provinces and districts of the prohibition of opium cultivation."

This prohibition of opium cultivation in Afghanistan, which has been approved by the higher authorities, is communicated to the Legation in order that the information may be conveyed to the competent United States Government Departments. The decision has already been published in No. 3974 of the *Islah* as a general notice of the Ministry of National Economy.

# Third Anniversary of the Attack on Pearl Harbor

ADDRESS BY ERLE R. DICKOVER<sup>1</sup>

[Released to the press December 7]

It is a great pleasure to me to have this opportunity to speak to you tonight on the subject "Lest We Forget"—a subject on which I feel very strongly. I have no doubt but that, since December 7, 1941, all of my listeners tonight have read in the press and heard over the radio a great deal of comment regarding Japan and the Japanese war-machine. But lest you forget what the menace of Japan means to us now and in the future, the organizers of this meeting have asked me, as one who has lived in Japan for many years and who can speak from personal knowledge and experience, to tell you something of the development and power of the Japanese war-machine. I lived in Japan for 23 years, in the service of our country, and, as a part of my education in things Japanese, I had to learn to speak and understand, to read and write, and to sing and whistle the Japanese language. I learned to eat Japanese food and to like it. I lived through many of their typhoons, earthquakes, insurrections, and riots. The latter were often rather amusing, as usually the rioters confined their activities to overturning and burning the wooden police boxes which one finds on almost every important intersection in Japanese cities and against which the rioters appeared to have a special grievance. And once I was knifed and seriously wounded by a Japanese burglar in Tokyo. I was Chargé d'Affaires of the American Embassy at the time, and the incident created quite a sensation, as the Japanese were afraid that it might cause international complications. So emissaries were sent from the Emperor down to apologize to me for the attack and to bring presents of cakes and fruit.

So I think I can lay claim to having had considerable personal experience of Japan and the Japanese and a keen appreciation of the reasons why we must not forget Pearl Harbor. The Chinese, you know, observe various "humiliation days" which commemorate events which were dis-

astrous to the nation. I am not suggesting that we have a "humiliation day" but rather a day of remembrance of the great disaster in American naval history and of the greatest piece of treachery and deceit in the history of mankind. I wish that on December 7 of each year, for many years to come, gatherings similar to this, and with the same slogan, "Lest We Forget", could be held in every city, town, and village in the country. I shall tell you why I wish this.

The western nations received a shock when the realization of the tremendous power of the Japanese war-machine burst upon them. They had been told about it often enough by their diplomatic officers stationed in Japan, including our own, and by military observers and journalists, but the western peoples either did not believe that the supposedly "nice little Japanese", whom they associated only with cherry blossoms and geisha, could really build up such a machine, or they shrugged off the growing danger with the easy assumption that one American, or one Briton, or one Australian is equal in fighting qualities to five or ten Japanese. It is very apparent that such persons did not realize, as those of us who lived in Japan did, that the Japanese soldier is in truth a very tough customer—strong, brutal, fanatically patriotic, well trained, well equipped, and well led.

The question is often asked, "How did the 'nice little Japanese' develop such a powerful, ruthless military machine?" In the first place, most people, even those who have visited Japan, did not realize that they were being deceived by the nice side of the Japanese and that in fact the Japanese have a dual nature. Some Japanese *do* have a nice side—the side which is usually seen by tourists and other visitors to Japan. They have a simple but beautiful culture of their own, with a great love of nature and of beautiful things. You all know their miniature gardens, their color prints, their porcelains and brocades. In ordinary life, we who lived there found the Japanese to be a friendly, kindly, helpful, and courteous people. They had to be, to get along with each other in their crowded islands. At the time of the great earthquake of 1923, foreigners resident in Tokyo

<sup>1</sup> D lived at a civic gathering under the auspices of the Kiwanis Club at Salisbury, Maryland, on Dec. 7, 1944. Mr. Dickover is Chief, Division of Japanese Affairs, Office of Far Eastern Affairs, Department of State.

and Yokohama commented on the helpful spirit of the Japanese, who would assist each other or even the foreigner before attending to their own needs. I was the American Consul in Kobe at that time and helped to take care of the thousands of refugees from the earthquake areas and to handle part of the \$20,000,000 worth of relief supplies sent to Japan by the American people. I also was struck by the spirit of helpfulness and kindly cooperation among the Japanese at this time, as well as by their sincere appreciation of the aid sent by the American people. But there is another side to the Japanese, upon which the military have built their war-machine—a primitive, cruel, and brutal side which makes them laugh at animals in pain (which I have often seen myself) and sell their daughters to the brothels—which is in fact quite a common practice. This side of the Japanese also was demonstrated at the time of the great earthquake. Several thousand Korean coolies were then working in and around Tokyo. Somehow the false rumor was started that these Koreans were looting and were murdering the Japanese. The Japanese young men's societies armed themselves with sticks and clubs and ran down and beat to death every Korean whom they could find, and incidentally killed about a hundred Chinese. This innate cruelty was also shown later in the Japanese treatment of American and British prisoners of war. The world was shocked by the revelation of this cruelty, but the world had forgotten that one of the primary purposes of Commodore Perry's visits to Japan in the 1850's was to compel the Japanese to accord humane treatment to American sailors shipwrecked on the shores of Japan and taken captive by the Japanese. Prior to Perry's visits the Japanese had terribly mistreated these men. So you can see that it was not difficult for the Japanese militarists to transform the ordinarily simple, kindly peasant lads of Japan into the brutal soldiers of the present-day Japanese Army.

The Japanese military machine is not an overnight growth, as ours is, but was developed by long and very careful planning by the warlords of Japan. To develop their machine they used spiritual as well as physical methods, somewhat similar to those employed by Germany and Italy. But Japan did not copy Germany and Italy in this; in fact, they employed those methods many years before Mussolini and Hitler were even heard

of. The following are some of the methods employed:

(1) In the first place they subordinated the individual to the state (which you will remember is one of the primary principles of National Socialism). This came naturally to the great mass of the Japanese, who had always subordinated themselves to the family or the clan. The wise men of the early days of modern Japan simply transferred this innate sense of loyalty of the people from the family or the clan to the Emperor, who was brought out of seclusion at Kyoto to act as head of the new military state. Until fairly recently this loyalty was a rather vague, impersonal sort of devotion, but during the past 10 or 15 years it has been developed into a blind, fanatical devotion almost impossible of conception to occidental peoples.

(2) In the second place they developed a national patriotic cult. Japan has had many religions, but in an endeavor to provide a purely Japanese national faith the leaders of Japan grafted onto the native Shinto the cult of emperor-worship and of glorification of militarism. Contrary to popular belief, ancient Shinto is a harmless religion—a peculiar mixture of primitive animism and ancestor-worship. There are thousands of little Shinto shrines scattered over Japan, dedicated to the local tutelary deity, or to the fox-god, or to some other god or goddess of the Shinto pantheon. The people go to these shrines to pray for a good harvest, or for children, or for other desired things, and at these shrines are held the annual local festivals. It was all very harmless and picturesque, until the military leaders superimposed the cult of emperor-worship and extreme nationalism upon this ancient religion. The new cult, which is called "State Shinto" or "National Shinto", is the obnoxious part of present-day Shinto. In this cult, the Emperor, as the direct descendant of the sun goddess, became the spiritual father of the Japanese race, thereby uniting under him, as in one great family, all of the people of Japan. This created a strong, unified national spirit. There would appear to be nothing inherently evil in the unification of a people, through emperor-worship or any other means, if that unification is developed for peaceful purposes. The unification of the Japanese people, however, was engineered in order to develop an extremely nationalistic, militaristic, and aggressive nation.

(3) In the third place the military leaders of

Japan propagated a martial spirit among the people. The Japanese people always have glorified and idolized the military virtues. As you know, the Samurai, the fighting men of ancient Japan, formed a privileged class ranking much higher than the *heimin*, or common people, who were not allowed to bear arms. The ancient respect for the fighting men, growing out of this relationship, has been maintained and intensified in modern Japan. Various methods have been employed for this purpose, of which one has been the theater. Not much attention appears to have been given to the effect of the theater on Japanese life and thinking, but in my opinion it has been extremely important. Those of you who know the *Kabuki* theater know the type of play produced—stories of ancient Japan, of loyalty and sacrifice, with much swordplay and buckets of blood and tears in each act. Children are taken to these plays from babyhood and grow up with the ideal before them of the swashbuckling, bloodthirsty Samurai of old Japan. This again, in my opinion, has had a tremendous effect upon the behavior pattern of the Japanese soldier. I believe that when a Japanese soldier engages in a suicidal banzai rush, or blows off his head with a hand grenade in a last futile gesture of defiance, he is in fact picturing himself in the role of one of his heroes of the *Kabuki* plays. The showing of these plays on the stage and screen is encouraged by the military in Japan. Other means employed to promote a martial spirit among the people include the teaching of *bushido*, the ethical code of the Samurai, to the people as a whole; military drill in the schools, starting from the age of about 10; and the inclusion in the school textbooks of tales of ancient and modern military valor.

The more radical element in the Japanese Army was not always content with the mere indoctrination of the people—some of the younger members of the radical element occasionally eliminated by force advocates of liberalism and democracy. You all remember the assassinations of Premiers Hara, Hamaguchi, and Inukai and of Mr. Inouye and Baron Dan in the 1920's and 30's. These assassinations of liberal statesmen and businessmen are popularly supposed in Japan to have been encouraged by extremist groups in the Army. I was First Secretary of our Embassy in Tokyo at the time of the Army insurrection of February 26, 1936, when old Admiral Viscount Saito, Finance Minister

Takehashi, and others were murdered. The Embassy stood on rising ground overlooking the area of operations of the insurgents, and consequently we in the Embassy had grandstand seats during the three-day revolt. It happened that I had occasion, during this affair, to be of some service to Saburo Kurusu, whom you will undoubtedly remember as the Japanese representative who came to the United States during the latter stages of our conversations with the Japanese in the last half of 1941. Kurusu was then attached to the Foreign Office in Tokyo and his residence was in the direct line of fire between the loyal soldiers and the insurgents. At 5 o'clock one morning, during a snowstorm, the Army ordered him and his family to vacate their house. He could not get his car through the lines, so he telephoned me and asked me to send my car for him and his family, since my car had a diplomatic license and could go almost anywhere. So I sent my car, rescued Kurusu and his family and servants, and put them up in my house until the insurgents surrendered and they could return to their own home.

Coincident with this intense indoctrination of the people, the spiritual preparation for war, and the elimination by force of liberal elements in and out of the Government, the military leaders made the necessary physical preparations for aggressive warfare. These included compulsory universal military service, which encountered little opposition in Japan, as the common people felt honored to be permitted to bear arms, like the privileged Samurai of old. A high birthrate was encouraged in order to provide cannon fodder for the military machine. So successful were the military leaders in that, that there was created a serious problem of overpopulation, which the military then brought forward as justification for aggression upon Japan's neighbors. A very efficient spy and police system was developed and used to suppress all "isms", such as socialism, communism, liberalism, pacifism, and labor unionism, which would militate against the development of the totalitarian military state desired by the warlords.

As a result of all this slow but steady preparation and indoctrination, the military leaders of Japan now have a nation of regimented minds—a nation of people fanatically devoted to their Emperor; unified as no nation has ever been unified in the past, in their belief in the divine source of the race and in its destiny; willing to sacrifice

themselves in order to achieve that destiny; and possessed of no inhibitions in regard to the methods to be employed. And supporting this nation of regimented minds they have an Army of some four or five million men, composed in large part of sturdy, tough peasant boys, inured from birth to hardship and well trained in the arts of war, including some, such as jujitsu and wrestling, not ordinarily included in the training of soldiers in other lands. The great bulk of that Army remains to be defeated—a long and bloody task. They have—or perhaps one can now almost say “had”—a good Navy and an excellent supporting merchant marine, which our armed forces are busy whittling down to a point where we can hope their importance in the Japanese war-machine will be greatly reduced. They have also developed industries—iron and steel, chemicals, synthetic oils, et cetera—coordinated with the war-machine and designed to render Japan independent of foreign supplies in time of war. Those industries are now gradually being smashed by our B-29 bombers, but we still have a long way to go before Japan’s war production will be seriously impaired.

And that, briefly, is a description of the war-machine which we shall have to defeat and to crush before the peoples of the world have been relieved of the menace of Japanese aggression. I said “the peoples of the world”, because it was, and I believe still is, the program of the extreme Jingoists in Japan to bring the whole world, as they say, “under the beneficent influence of the Imperial rule”. The conquest and the economic and political domination of East Asia were only the immediate aims of the Japanese warlords. They hoped to be able in time to mobilize the immense manpower and material resources of Asia behind their war-machine and then to set out on the conquest of the world. Fortunately they were stopped in time, or they might have succeeded in a part at least of their grandiose scheme of conquest.

How did it happen that this seemingly invincible Japanese war-machine failed in the first part of its program of aggression? Well, despite what the automobile and watch manufacturers say, no machine is perfect. They all have faults, and the Japanese war-machine is no exception. For example, the military leaders of Japan lack an expert knowledge of anything except military tactics and their own code of patriotism and extreme nationalism. They particularly lack a knowledge of economics and of

the psychology of peoples. As anyone with an elemental knowledge of economics realized, the Japanese “Co-prosperity Sphere” could not possibly be a success without access to outside markets. It is true that within the so-called Co-prosperity Sphere there lie most of the world’s resources of rubber, tin, cinchona, kapok, manila hemp, and various other raw materials, but the people of Asia cannot eat or wear these things. Consequently, the Co-prosperity Sphere has turned out to be a “co-poverty sphere”, with a ragged, hungry population hating their conquerors. For this and other reasons Japan did not obtain the cooperation and assistance from the peoples of the Co-prosperity Sphere which were necessary for the success of the first part of the warlords’ program of aggression. For another example, the treacherous Japanese attack at Pearl Harbor disclosed a lack of knowledge of the psychology of peoples. It may be argued that Pearl Harbor was a highly successful stroke from Japan’s viewpoint, and it is a fact that it was a serious blow to our Pacific fleet, leaving the Japanese Army and Navy almost free for months to complete the conquest of East Asia. But it was also an enormous psychological and strategic blunder, and it will be the principal cause of Japan’s undoing. If Japan had gone to war with the breaking off of diplomatic relations and a declaration of war before any act of war, about half of the American people might have said, “Oh, those nice little Japanese have been misled by their military masters. We will not be hard on them.” But since Pearl Harbor, and the absence of any expressed disapproval of that stroke on the part of the Japanese, the American people are united as one man in the determination to drive those “nice little Japanese” back to their islands *and to keep them from again over-running neighboring countries in a flood of aggression.*

This generation of Americans knows what it has to do. It has to defeat Japan, utterly and completely, and then to take such steps as may be necessary to destroy the vicious Japanese war-machine, root and branch. After that, it has to keep watch that that machine is not rebuilt in our time. But how about your children and your grandchildren? Will they keep watch, or will they be deceived by those “nice little Japanese”? I have told you something of the intense indoctrination of the Japanese people. It will take generations to eradicate from the hearts and minds of those people the ideas of military power and of world

domination which have been drilled into them for the past 50 years. Remember that the Japanese warlords themselves have said that this war will last for a hundred years—not this particular phase of the war, but the whole war against the Western powers for domination of the world. With these facts in mind, who can be sure that, when the United Nations dictate their peace terms to a defeated Japan, the Japanese will not accept those terms with ostensible meekness, but with their tongues in their cheeks, preparing in their hearts to arise again in a generation or two, when the Western nations are off guard? It is reasonably certain that in the future we shall have an international security organization to deal with nations bent on aggression, but the fact that such an organization is in existence will not entirely relieve our Nation of the responsibility for the maintenance of constant vigilance, especially in the Pacific. It is imperative that Japanese aggression be kept in check, and we are convinced that the establishment of an international security organization for the maintenance of world peace will contribute greatly to this end, but it is also necessary that you and I never forget the deep-rooted military fanaticism of the Japanese, never forget the treacherous attack upon Pearl Harbor, and never forget that, as our President said recently, "Years of proof must pass by before we can trust Japan."

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#### AVIATION CONFERENCE—Continued from page 719

As a result of the work of these and many other men, when we leave this conference we can say to our airmen throughout the world not that there is a legal and diplomatic wrangle ahead but that they can go out and fly their craft in peaceful service.

In humbleness we must offer thanks for the opportunity to work upon these great affairs. And it is fitting to recall the words of David, king, captain, and poet:

"If I take the wings of the morning and dwell in the uttermost parts of the sea, even there shall thy hand lead me and thy right hand shall hold me."

The International Conference on Civil Aviation is adjourned.

## Exploratory Conversations on Double Taxation

[Released to the press December 5]

Discussions are at present taking place in Washington between representatives of the United States and the United Kingdom with a view to the negotiation of a treaty for the avoidance of double taxation of incomes and estates. These conversations are a continuation of meetings which took place in London last summer.<sup>1</sup> The representatives of the United States, in addition to Mr. Eldon P. King of the Bureau of Internal Revenue and Mr. Herbert P. Fales of the Department of State, who conducted the earlier talks in London, include Mr. Roy Blough of the Treasury Department and Mr. P. J. Mitchell of the Bureau of Internal Revenue. The British representatives include Sir Cornelius Gregg, Mr. S. P. Chambers, and Mr. J. R. Willis of the British Board of Inland Revenue.

### TREATY INFORMATION

#### Double-Taxation Conventions With Canada and France, and Sugar Protocol

On December 6, 1944 the Senate gave its advice and consent to ratification of the following conventions and protocols:

A convention between the United States of America and Canada for the avoidance of double taxation and the prevention of fiscal evasion in the case of estate taxes and succession duties, signed in Ottawa on June 8, 1944:

A convention and protocol between the United States of America and France, signed at Paris on July 25, 1939, for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of income and other taxes;

A protocol, dated at London August 31, 1944, to prolong for one year after August 31, 1944 the international agreement regarding the regulation of production and marketing of sugar signed at London on May 6, 1937.

<sup>1</sup> BULLETIN of Aug. 27, 1944, p. 208.

## Temporary Raising of Level of Lake St. Francis During Low-Water Periods

By an exchange of notes of August 31 and September 7, 1944, the Government of the United States and the Government of Canada have effected a continuation of the agreement of November 10, 1941<sup>1</sup>, as continued by exchanges of notes of October 5 and 9, 1942<sup>1</sup> and of October 5 and 9, 1943<sup>2</sup>, relating to the temporary raising of the level of Lake St. Francis during low-water periods. The continuation effected by the exchange of notes of August 31 and September 7, 1944 provides that the arrangements reached on November 10, 1941 "should be continued for the duration of the emergency, subject to review prior to October 1 of each year and subject . . . to all of the conditions and limitations contained in the Notes exchanged on November 10, 1941".

## Agreement for United Nations Relief And Rehabilitation Administration

### India

The Indian Agency General transmitted to the Department of State with a letter of December 4, 1944 certified copies of the motions adopted at meetings of the Central Legislative Assembly of India on April 5, 1944 and of the Council of State on April 6, 1944, approving the Agreement for United Nations Relief and Rehabilitation Administration signed at Washington on November 9, 1943.

The motion of the Central Legislative Assembly reads as follows: "That this Assembly approves the United Nations Relief and Rehabilitation Administration Agreement signed at Washington on the 9th November 1943. In expressing its approval this Assembly recommends that any area important to military operations of United Nations which is stricken by famine or disease should be included in benefits to be made available by United Nations Relief and Rehabilitation Administration".

The motion of the Council of State reads as follows: "That this Council approves the United

Nations Relief and Rehabilitation Administration Agreement signed at Washington on the 9th November, 1943".

In a letter dated October 28, 1944 the Indian Agency General informed the Department that "the date of the ratification of the Agreement by the Government of India may be taken to be the 21th April 1944".

### Venezuela

The Ambassador of Venezuela transmitted to the Secretary of State with a note of November 17, 1944 the instrument of ratification of the President of Venezuela of the Agreement for United Nations Relief and Rehabilitation Administration signed in Washington on November 9, 1943. The instrument of ratification, dated August 28, 1944, was deposited in the archives of the Department of State with the signed original of the Agreement on November 17, 1944.

The instrument of ratification refers to a note of October 30, 1943 from the Venezuelan Minister of Foreign Affairs to the American Chargé d'Affaires ad interim in which certain observations are made with reference to the Agreement for United Nations Relief and Rehabilitation Administration. The Venezuelan note of October 30, 1943 reads in part as follows (translation):

"After carefully examining the text of the draft agreement my Government, while it accepts the agreement in its present form, nevertheless considers it appropriate to make the following observations:

"1. It would be desirable to consider modifying in the future the composition of the Central Committee mentioned in article 3, in order that other countries, as well as those already indicated, may enter and form part of that organism.

"2. In addition to contributions in kind [*especie*] which the contracting parties obligate themselves to make, the draft contemplates the purchase of certain amounts of foodstuffs, supplies, etc. It might perhaps be well to establish a procedure for these operations which would assure equality of treatment among producing countries.

"3. It also would be well to prepare an adequate system of fiscalization or control of distribution of relief products among the indigent peoples of the war devastated countries. It is opportune to consider that indistinct distribution of such relief

<sup>1</sup> Executive Agreement Series 291.

<sup>2</sup> Executive Agreement Series 377.

products might affect the acquisitive capacity of the future import markets of those countries.

"4. Certain general directives destined to assist the Director General in selecting the numerous personnel which the Administration will require might be adopted, consideration being given not only to the technical ability of aspirants but also to geographic distribution, this in order that capable elements from all of the contracting parties may have an opportunity to serve.

"In making the foregoing observations my Government expresses the hope that they will be examined by the Governments of the United Nations and that they may serve as interpretations of the agreement itself until such time as amendments to that important instrument may be made."

## THE DEPARTMENT

### Appointment of Officers

Francis H. Russell as adviser, temporarily, in the Office of Public Information, effective November 23, 1944.

### Division of Management Planning<sup>1</sup>

1 *Purpose.* The purposes of this order are:

(a) To establish a Division of Management Planning in the Office of Departmental Administration.

(b) To define its objectives, functions and responsibilities.

(c) To define the status and authority of the Chief of this Division.

2 *Need for Division.* (a) The war and the rapid development of post-war programs have brought about an unprecedented expansion of the Department's activities in a wide variety of fields.

(b) Success in carrying out effectively our varied and vitally important foreign relations programs, both now and after the termination of hostilities, depends upon continuous improvement

in the administrative management of the Department.

(c) To accomplish this purpose it is essential that a staff division be established to advise and assist the Secretary of State and other high officers of the Department in attaining such good management objectives as improved organizational and functional relations with other agencies and with the Foreign Service of the United States, improved organizational structure of the Department, clear definition of functions and of lines of authority and responsibility, and effective work methods and procedures. The improvement of administrative management in such ways is not considered as an end in itself but rather as a means of assisting operating and policy divisions in carrying out the Department's programs effectively.

3 *Establishment of Division.* (a) A Division of Management Planning is hereby established in the Office of Departmental Administration.

4 *Chief of Division.* (a) The Chief of the Division of Management Planning shall be a principal adviser and consultant to the Secretary of State and other high officers of the Department on all matters concerning the formulation and execution of administrative management policies.

(b) He shall generally direct and supervise the activities of the Division of Management Planning.

(c) He shall have full authority (1) to initiate and direct necessary studies and investigations; (2) to formulate and initiate recommendations; and (3) as may be appropriate, either on his own initiative or after approval by the Secretary of State or other high officers concerned, to initiate and complete necessary action for the continuous improvement of administrative management in the Department.

(d) The Chief of the Division of Management Planning shall work through the Director of the Office of Departmental Administration and the Assistant Secretary of State in general charge of administrative matters, and with the Director and staff of the Office of the Foreign Service, to assure effective coordination of over-all administrative programs and policies for the Department and the Foreign Service.

5 *Responsibilities of Division.* (a) The responsibilities of the Division of Management Planning shall include the following activities:

<sup>1</sup> Departmental Order 1290-A, dated Oct. 7, 1944; effective Oct. 16, 1944.

(1) Continuous study of our foreign policies and objectives in the light of trends in foreign and domestic affairs, and participation in planning future foreign relations programs, with particular reference to the administrative implications and feasibility of such programs, and with a view to developing and executing administrative management policies fully adjusted to the Department's changing needs.

(2) Furnishing of advisory and consultative services and assistance in a staff capacity to divisions and offices to facilitate the carrying out of their assigned functions through the planned improvement of management.

(3) Continuous study of improved techniques of management analysis and planning in government and industry with a view to the application of such techniques to the improvement of management in the Department.

(4) Continuous appraisal of the Department's organizational and functional relations with other governmental and with intergovernmental agencies, including interdepartmental and intergovernmental committees or similar organized groups, with particular reference to over-all administrative implications for the Department, and with a view to the continuous development of improved working understandings.

(5) Collaboration with the planning staff of the Office of the Foreign Service in studying problems of mutual interest and concern with a view to the development of sound over-all administrative policies and practices and more effective working relations between organizational units of the Department, other agencies, and the Foreign Service.

(6) Investigation, analysis and appraisal of the effectiveness of the Department's organizational structure, including its component divisions and offices and intradepartmental committees or similar organized groups, with a view to the development of new organization units or to such adjustments of organizational structure as may be required for the effective implementation of present and future responsibilities.

(7) Analysis of functions and of work assignments and lines of authority and responsibility among the component offices and divisions of the Department with a view to clearer definitions as required and maximum coordination of effort

based on exact understandings of working relations.

(8) Study and analysis of work methods and procedures, with particular reference to those which cut across organizational lines in the Department, and between the Department and other agencies, such as the flow of correspondence and other documentation, with a view to work simplification, standardization of methods and procedures, elimination of waste time and effort, reduction of costs or delays, and improved utilization of employee skills; review and control of forms with a view to their standardization and simplification.

(9) Preparation, or assistance in the preparation, and review (a) of proposed legislation or Executive Orders concerning the authority, functions or management of the Department and (b) of Departmental Orders and Regulations, Administrative Instructions, organizational and administrative manuals, and other documents concerning organizational structure, functions, lines of authority and responsibility, work methods and procedures, and the designation of ranking officers of the Department and of the Department's representatives on interdepartmental committees and similar agencies. The Division of Management Planning shall be responsible for necessary clearances of such documents with interested divisions and offices and all such documents, prior to issuance, shall be cleared with the Division of Management Planning, which shall examine them from the viewpoint of content and purpose, their over-all administrative implications and effects, conformity with previously issued documents of similar character, and conformity with existing regulations on the subject, such as those set forth in Departmental Order 1269 of May 3, 1944.

(10) Assistance in the development of a system of divisional progress reports and, through study of such reports, keeping informed on current accomplishments and trends in program activity as a basis for anticipating, where possible, need for adjustments in organization, clarification of functions and of lines of authority and responsibility and improvement in work methods and procedure.

(11) Enlisting the active support and assistance of all employees in the improvement of management in the Department through such means

as the development of employee suggestion and incentive programs, employee-management conferences and the like.

(12) Participation with the Division of Budget and Finance in the consideration of such matters as the preparation of budget estimates and the allotment of positions, with the Division of Departmental Personnel in the consideration of such matters as job evaluation and classification, with the Division of Administrative Services in the consideration of such matters as the allotment and utilization of space and equipment, and with the Division of Communications and Records in the consideration of such matters as problems of records administration; keeping those divisions currently informed concerning management planning matters which may affect their work and securing their advice and assistance in the conduct of management planning projects and in effecting management improvements.

(b) Work projects may be undertaken by the Division of Management Planning (1) on its own initiative; (2) by assignment from the Secretary of State, other high officers of the Department, or staff committees such as the Policy Committee established by Departmental Order 1218 of January 15, 1944; (3) by request from other administrative divisions in connection with administrative operating problems; (4) by request from other divisions or offices in connection with their plans for management improvement; and (5) in such other ways as may be appropriate.

6 *Symbol of Division.* The symbol of the Division of Management Planning shall be MX.

CORBELL HULL

## LEGISLATION

The Jewish National Home in Palestine: Supplemental Statements to Hearings Submitted to the Committee on Foreign Affairs, House of Representatives, 78th Cong., 2d Sess., on H.Res. 418 and H.Res. 419, Resolutions Relative to the Jewish National Home in Palestine. iii, 129 pp., vii.

The Jewish National Home in Palestine. H.Rept. 1997, 78th Cong., on H.Res. 418. 4 pp. [Favorable report.]

Investigations of the National War Effort: Report, Committee on Military Affairs, House of Representatives, 78th Cong., 2d sess., Pursuant to H.Res. 30, A Resolution Authorizing the Committee on Military Affairs and the Committee on Naval Affairs To Study the Progress of the National War Effort. H.Rept. 1992. ii, 37 pp.

Certain Former Employees of the United States Court for China. S.Rept. 1267, 78th Cong., on H.R. 4080. 4 pp. [Favorable report.]

Authorizing the Appointment of Two Additional Assistant Secretaries of State. S.Rept. 1314, 78th Cong., on H.R. 4311. 1 p. [Favorable report.]

First Supplemental Appropriation Bill for 1945. Hearings Before the Subcommittee of the Committee on Appropriations, House of Representatives, 78th Cong., 2d sess., on the First Supplemental Appropriation Bill for 1945. ii, 716 pp. [State Department, pp. 26, 385-419.]

First Supplemental Appropriation Bill, 1945. H.Rept. 2023, 78th Cong., on H.R. 5587. 46 pp. [State Department, pp. 11, 17, 18, 22, 27, 40, 41, 46.]

## THE FOREIGN SERVICE

### Confirmation

On December 7, 1944 the Senate confirmed the nomination of Alexander C. Kirk as American Ambassador to Italy.

### The American Embassy at Paris

The American Embassy at Paris, France, was opened to the public on December 1, 1944.

### Consular Offices

The American Consulate at Melilla, Spanish Morocco, was closed to the public on November 30, 1944.

The American Consulate at Cherbourg, France, was opened to the public on December 1, 1944.

The American Consulate at Florence, Italy, was opened to the public on December 1, 1944.

The American Consulate at Marseille, France, was opened to the public on December 1, 1944.

The American Consulate at Nice, France, was opened to the public on December 1, 1944.



**PUBLICATIONS**

DEPARTMENT OF STATE

Detail of Naval Officer to Brazil: Agreement between the United States of America and Brazil—Signed at Washington September 29, 1944; effective September 29, 1944. Executive Agreement Series 420. Publication 2215. 12 pp. 5¢.

Questions and Answers on the Dumbarton Oaks Proposals. Conference Series 58. Publication 2218. 8 pp. 5¢.

DEPARTMENT OF COMMERCE

The articles listed below will be found in the December 9 issue of the Department of Commerce publication entitled *Foreign Commerce Weekly*, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Australia: The Dramatic Course of Its Wartime Economy", Part I, by Wilson C. Flake, consul, American Consulate General, Sydney, New South Wales.

"Chile's Market for Office Equipment and Supplies", by Robert J. Dorr, vice consul, American Embassy, Santiago, Chile.

"Farm Equipment in Brazil", based on Foreign Service reports.

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# THE DEPARTMENT OF STATE BULLETIN

VOL. XI, NO. 286

DECEMBER 17, 1944

## *In this issue*

### JAPAN'S MANDATED ISLANDS

*Article by George H. Blakeslee*

### THE FIRST PROGRESS REPORT OF THE JOINT SURVEY GROUP

*Article by Alan N. Steyne*



THE DEPARTMENT OF STATE  
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*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Research and Publication, Office of Public Information, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.*

*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

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# Dumbarton Oaks Proposals

## STATEMENT BY THE SECRETARY OF STATE

[Released to the press December 15]

On October 9, 1944 the Dumbarton Oaks proposals were made available to the peoples of the world for full study and discussion. Popular response has been spontaneous and general in many countries. It has been a source of encouragement to all who share our conviction that this people's war must lead to a people's peace unless we are again to be deprived of the fruits of victory.

I am particularly gratified by the understanding and vigor with which the proposals have been discussed and continue to be debated by our own people. Much of that discussion has been fostered by organized groups of citizens conscious of their responsibility to promote public understanding of the great national and international issues which confront us. Not only organizations specialized in the study of international relations, but business, labor, and farm groups, service clubs and

associations of ex-servicemen, women's organizations and religious societies, professional associations and groups of educators are spreading an understanding of the Dumbarton Oaks proposals throughout the country. By their work these organizations are making one of the most important contributions that can be made at this time toward the establishment of a strong and workable international organization in which our country will have an active share commensurate with its position as a world power.

These organized efforts to promote a clear understanding of the proposed international organization for the maintenance of peace promise well for the future. It is only through public discussion, knowledge, and understanding that the peace to come can rest upon firm foundations of popular support and participation—and thus be truly a people's peace.

## ADDRESS BY JOSEPH C. GREW<sup>1</sup>

[Released to the press December 13]

"Army and Navy leaders are agreed that, if any aggressor again attempts world conquest, this nation will be attacked first of all. We shall be hit suddenly, by surprise, and hard. We can never again expect that other nations will take the first shock and hold off the enemy until we can arm.

"The reason is plain. We have twice shown the world that we have greater war power than any other nation on earth when given time to mobilize it. So a future aggressor's first goal must be to crush us before he attacks anyone else; and not give us what we have always needed in other emergencies—time.

"Such a blow has become possible. We are no longer out of reach. Today's airplanes cross

oceans on routine operations. Tomorrow the B-29—which can drop a big bomb load on targets 1,000 miles distant and come home—will be superseded by planes with much longer range, dropping more powerful bombs. Planes dragging gliders laden with airborne troops will be able to fly from Europe or Asia and land men to seize Pittsburgh steel mills or the Mississippi River bridges. In the foreseeable future are improved invasion craft which could land troops and supplies on our coasts. There will be robot bombs of . . . greater accuracy, launched from planes, from carriers, from islands—perhaps even from other continents. We may be struck out of the blue by lightnings we did not know existed.

"'Our geographical position can no longer be considered a protection,' says Secretary of War Stimson."

The foregoing quotation is from an article in the December issue of the *Reader's Digest* by Thomas

<sup>1</sup> Delivered at a meeting sponsored by the Chicago Council on Foreign Relations and the Chicago Association of Commerce on Dec. 13, 1944. Broadcast over the Columbia Broadcasting System.

M. Johnson, who has been a close student of military affairs since the last war. I think it deserves the most thoughtful attention of our people. The article is entitled "The Military Essentials for Our Postwar Safety", and it contains proposals for America's preparedness in the years ahead.

I believe implicitly in the importance of military and naval preparedness. I have always believed in it and have fully and frequently gone on record to that effect. I believe in it now more than ever. But I believe in two kinds of preparedness—preparedness for war and preparedness for the maintenance of peace. If history has taught us nothing else, it has shown us beyond peradventure that, if human nature is allowed to run its normal course uncurbed, peace cannot and will not be maintained. Preparedness there must be, and curbs there must be, if world peace and security are to be insured. Throughout history, mankind has tried to set up effective peace machinery. China tried it some 500 years before Christ; Greece tried it; Rome tried it; William Penn proposed in effect a United States of Europe in which all states would submit their differences to a world court of arbitration and would promptly act together to crush an aggressor. Yet all failed, and finally even the creation of the League of Nations and the Kellogg-Briand pact failed to prevent war. Why did they fail? They failed because these peace plans were superficial. They were like poultices prescribed for cancer. This time *we cannot afford to fail*.

Now in erecting our future peace structure, we must have in mind two fundamental considerations: First, the structure must overcome the flaws and weaknesses of the ineffective machinery of the past; second, we cannot hope to erect *effective* machinery unless we, as a nation, are willing to make what in the past has been considered sacrifices. I do not mean a sacrifice of sovereignty. The thought of fashioning any kind of superstate is to us wholly repugnant, and no such thought or plan has entered or can enter our counsels. But we must be prepared to pool our efforts and a part of our armed forces—if that be considered a sacrifice—not only for the *common good but for the future security of our own nation and our own people*. Is that too great a sacrifice to avoid the horrors of another war, waged with the terrific and as yet unimagined instruments that will certainly be used if war comes to us and to other

nations again in another generation, with its certain devastation and the certain destruction once again of the flower of our manhood, probably including the blotting out of our cities and of a percentage of our civil population from which reason recoils? These awful visions sound fantastic. But they are not fantastic. With the constantly accelerating developments in science, especially military science and electric science, these are precisely the things that could and probably would occur in a world war of the future. Can any sacrifice be too great to avoid *that* sort of cataclysm?

We must have one further consideration in mind. With the best efforts and the best will in the world, we cannot hope to prepare a blueprint for our future peace machinery that will be wholly satisfying to everybody. Human nature and international nature being what they are, the best we can do is to aim for the maximum of what is desirable within the scope of what is attainable and be prepared to accept the nearest approach to that maximum that will permit general and eventually, we hope, universal acceptance. We and other nations should be prepared to accept the net result of our combined endeavors only if that result holds out a fair promise to be *effective* in the maintenance of future world peace and security. Criticism and debate there is bound to be, for the net result cannot possibly please everybody, and criticism and debate are to be welcomed just so long as they are helpfully constructive. It is for the very purpose of inviting constructive criticism and debate that we have published the results of the preliminary talks at Dumbarton Oaks in anticipation of a United Nations conference. But if the blueprint that emerges from the eventual United Nations conference offers a workable machine holding out a reasonable hope for the prevention of future wars, a machine that can be improved and gradually, we hope, perfected with matured experience and the wisdom of enlightened statesmanship, we cannot afford, as in 1920, once again to retire into our shell and refuse to cooperate just because what we might consider to be a perfect instrument has not been produced. We must give it a fair chance to succeed. Unless all the major powers play their full part it will be obvious that the plan cannot succeed. But I am very hopeful that the merits and the power of whatever instrument eventually emerges will commend itself to the great majority of our people,

whose thinking has undergone a vast transformation since 1920.

Before discussing the Dumbarton Oaks proposals, let us consider certain aspects of their development. You will recall that in the Four Nation Declaration signed at the Moscow Conference in 1943 the United States, Great Britain, the Soviet Union, and the Republic of China pledged themselves to take the leadership in the creation of a permanent international organization for the maintenance of peace and security. It was understood at that time, as well as at Dumbarton Oaks, that any such organization would be based on the principle of the sovereign equality of all peace-loving nations and open to membership by all such nations. The next step after Moscow was to determine how far the four signatories of that Declaration were prepared to go—what obligations they would undertake—what responsibilities they were prepared to assume. Before undertaking to bring about a wider and more general understanding as to the responsibilities which would need to be assumed by all peace-loving nations in the interests of peace, they had to agree among themselves, and it should be borne in mind that these four countries, because of their size and strength, can make or break any system of general security.

On the basis of this thought, preparations for the Dumbarton Oaks meeting were undertaken by each of the four Governments. Under the leadership of Secretary Hull, who unsparingly devoted his time and his energy to the direction of our own preparations for these conversations, there emerged a set of proposals which this Government placed before the other three Governments. In this preparation, full account was taken of the experiences of the past, particularly that of the inter-war period. More than that, we undertook to assemble and analyze all ideas and suggestions, both official and private, at home and abroad, which threw light on the problems involved. When this initial work was completed, the ideas which emerged were then discussed with many members of both Houses of Congress and with numerous leaders of national thought. Thus prepared, as were the representatives of the other three Governments, it was possible, as President Roosevelt has said, that "so much could have been accomplished on so difficult a subject in so short a time".

But in spite of all this preparation, very little

could have been accomplished at Dumbarton Oaks had it not been for the constructive and cooperative spirit which animated the discussions. The men who met there labored patiently and hopefully in their endeavor to reach an agreement based on a genuine understanding. I wish to say, for my part, that in the many international conferences in which I have participated during the past 40 years I have never experienced such a seriousness of purpose, nor such a sense of responsibility, as that displayed at Dumbarton Oaks.

This is all by way of preamble. Now I shall get down to brass tacks and shall discuss with you the provisional blueprint produced at Dumbarton Oaks and the considerations underlying the more important provisions in the plan. Please remember that while at Dumbarton, we merely erected something to shoot at; the plan that was produced, nevertheless, represents the best results of the combined thinking of our British, Russian, and Chinese friends, as well as our own. It is a plan which combines our idealistic aims with the realities of the world in which we live today.

The Organization envisaged in the Dumbarton Oaks proposals may be conceived as having three principal purposes, each of which is related to the single aim of maintaining peace and security. The long-range purpose and objective is to assist in the creation of those conditions of stability and well-being in the international community which will be conducive to the maintenance of peace. Secondly, the Organization would facilitate peaceful means of adjustment or settlement of disputes between nations, which, if permitted to continue, might result in a breach of the peace. Finally, if peaceful means failed, and a threat to or breach of the peace occurred, the Organization would take such forceful action as might be required to maintain or restore peace.

For the accomplishment of these purposes, different types of organs exercising different types of functions would be required. The Dumbarton Oaks plan provides for a General Assembly, with an Economic and Social Council under its authority, a Security Council, an international court of justice, and a secretariat. To those versed in the structure of the League of Nations, this enumeration may sound familiar. Undoubtedly, there are some features which the United Nations would have in common with the former League. However, there are two fundamental differences which in my opinion constitute a great advance

over the League. In the first place, the Dumbarton Oaks proposals assign to each of the principal organs of the Organization clear-cut *responsibilities*, thereby eliminating any confusion as to jurisdiction. In the second place, each organ is endowed with appropriate powers for the discharge of its functions. These observations relate especially to the proposed General Assembly and the Security Council.

The General Assembly is to be the central organ of the Organization, in which all member states, large and small, would be represented on an equal footing and would enjoy equal responsibilities. In this body, the truly democratic character of the structure would be reflected. The General Assembly would be the center for international discussion and action with respect to cooperation in political, economic, and social questions generally. It would be expected to review the state of relations among nations and make recommendations to governments for the promotion of their cooperative efforts. It would be responsible for promoting the observance of human rights and fundamental freedoms. It would also consider and make recommendations regarding the general principles of cooperation in the maintenance of peace and security, including those governing disarmament and the regulation of armaments. In short, the General Assembly would be the arm of the Organization which would promote its long-range objectives for the advancement of human freedom and progress. It would not be in any sense a legislative body or any agency of a super-state but rather an instrumentality to facilitate agreement among states for the advancement of their common aims.

It is evident from all this that the wide scope of the subjects with which the General Assembly of the proposed Organization will be concerned indicates that its activities will cover the whole range of political, economic, and social problems of interest to the international community. Moreover, the General Assembly would be able to approach these constructive tasks without being encumbered by responsibilities for the solution of specific conflicts or the specific implementation of policies which can better be achieved by specialized bodies and agencies.

But constructive activity such as that entrusted to the Assembly would be greatly impaired if conditions of insecurity prevailed. Hence the

Dumbarton Oaks proposals place great emphasis on the powers and procedures to be employed for the maintenance of peace and security. These powers would be vested in the Security Council. This Council would be a small body of 11 members which would be in continuous session, alert and ready for any emergency. Of the 11 members, the United States, Great Britain, the Soviet Union, China, and eventually France would have permanent seats. It is clear that the economic strength and military potential of these countries place them in a position of special responsibility in any matter relating to peace and security. Realistic recognition is given this fact in accord- ing them permanent seats on the Security Council.

The other six members of the Council would be elected by the General Assembly for two-year terms. And I would like to point out here that, whatever voting procedure may be agreed to, decisions in the Security Council would certainly require the assent of one or more of these members.

As I have said before, one of the purposes of the Organization would be to facilitate the peaceful adjustment and settlement of disputes. This function would devolve on the Security Council, which would act in accordance with a series of procedures outlined in the proposals. Nations directly involved in any disputes would bear the initial responsibility and obligation for adjusting or settling such disputes peacefully by means of their own choice. Such means might include direct negotiation, mediation, arbitration, or adjudication by the court of international justice. However, the Council would be empowered to investigate any dispute or any situation which might lead to international friction or give rise to a dispute, in order to determine whether or not international peace was endangered. If the parties to a dispute failed to settle their differences by such means, they would be obligated to refer it to the Security Council. The Security Council would then determine whether the dispute was likely to endanger peace, and if so, recommend procedures or methods of adjustment.

There is thus a dual responsibility in these proposed measures. On the one hand, the parties to the dispute must observe their obligations to find peaceful solutions, and on the other hand, the Security Council must be ever alert to determine *when* a dispute may constitute a threat to the peace.

But if all these procedures should fail, and the Council should find that the peace was threatened,

it would be empowered to take any measures necessary for the maintenance of peace.

The provisions for enforcement action by the Security Council are sufficiently elastic for effective action, whenever such action is required. Although wide discretion is given the Council in the determination of the existence of a threat to or breach of the peace, its action must be taken in accordance with the principles of the charter. Initially such action might consist of measures not involving the use of armed force, such as the severance of diplomatic and economic relations and the interruption of rail, sea, air, postal, radio, and other means of communication. If necessary, however, the Council could take action by air, naval, and land forces to restore peace.

Let me here recapitulate in somewhat greater detail the several successive steps that under the Dumbarton Oaks plan are open to the Security Council for the maintenance of peace and security, because these steps are of fundamental importance in the proposed structure:

1. The Security Council can investigate any dispute or any situation which may lead to international friction or give rise to a dispute.

2. It can call upon the parties to a dispute to seek a solution by negotiation, mediation, conciliation, arbitration, or judicial settlement, or by any other peaceful means of their own choice, or it can recommend appropriate procedures or methods of adjustment.

Up to this point, it will be seen that the successive steps open to the Council are of a judicial nature. Only if these several steps have failed to settle the dispute in accordance with the purposes and principles of the Organization and only if the dispute is found to constitute a continuing threat to the peace is the Council empowered to proceed to further steps of a political nature.

3. If the means already described fail and if the Security Council determines that, as a result, there exists a threat to the peace, it can decide whether it should take action.

4. If the Council decides in the affirmative, it can then determine the measures to be taken to maintain or restore peace and security.

5. The Council can take diplomatic, economic, or other measures short of the use of armed force, these measures envisaging possible complete or partial interruption of communications and the severance of diplomatic and economic relations.

6. Finally, but only in the last analysis if all previous steps have been found inadequate is the Council empowered to take such action by air, naval, or land forces as may be necessary to maintain or restore international peace and security.

Clearly, under the proposed plan, every possible effort is to be made to settle international disputes without recourse to the use of force, but force is to be available if only thus can international peace and security be maintained or restored.

Now, for this last purpose, and under special agreements concluded in keeping with their constitutional processes, the member states of the United Nations would be obligated to supply, in case of need, specified contingents of armed forces and other facilities to be used for the maintenance of peace. These special agreements for the supply of forces would be concluded among member states and would be subject to approval by the Security Council.

It is obvious that in the use of armed forces by the Security Council it would require the most highly qualified expert assistance for this purpose. For this reason, the proposals provide for the creation of a Military Staff Committee which would consist of the Chiefs of Staffs of the permanent members of the Council or of their representatives and of other members of the Organization in special circumstances. This Committee would serve the Security Council not only in military enforcement measures but also in advising the Council upon a general system for the effective regulation of armaments.

This, in brief, is the pattern proposed for the maintenance of peace. There is, however, one further aspect which I wish to emphasize. I refer to the solemn obligations which must be assumed by all members of the Organization. First, they must pledge themselves to resort to none but peaceful means in the settlement of any disputes which may arise among them. As a fundamental corollary to this obligation, they must also pledge themselves to refrain from the use of force or the threat of force in any manner inconsistent with the purposes of the Organization. In the event of a breach of the peace, all members must obligate themselves to assist the Organization in any action taken by it to maintain or restore peace. I trust that you will agree with me that these obligations go considerably farther than those assumed by the parties to the Kellogg pact and by the members of the

League of Nations. These obligations, together with the extensive power of the Security Council to decide upon measures to be taken in the event of a breach of the peace, therefore would mark a great step forward in our ceaseless efforts to find means of preventing war.

In discussing the role of the General Assembly, I passed lightly over the provisions of the proposals concerning the solution of economic, social, and humanitarian problems. These provisions, in my opinion, merit your attention. As I have said before, the General Assembly would have responsibility for the formulation of broad policies in these fields in the form of recommendations. An Economic and Social Council, under the authority of the General Assembly, would assist that body in developing international cooperative activity in the economic and social fields. This Council would consist of 18 member states elected by the General Assembly for a term of 3 years. Unlike the Security Council, no provision is made for permanent members. It may be anticipated, however, that in selecting the members of the Economic and Social Council the General Assembly would take into consideration their ability to contribute to its work.

In considering the functions of the General Assembly and the Economic and Social Council, I invite your attention to the extensive development of a number of specialized economic and social agencies. Some of these, such as the International Labor Office, were established at the close of the last war. Others developed during the inter-war period. However, within the past 18 months 4 new organizations have been projected as a result of the international conferences held at Hot Springs, Bretton Woods, and Chicago. These newly projected bodies include the United Nations Food and Agriculture Organization, the International Monetary Fund, the International Bank for Reconstruction and Development, and the International Civil Aviation Organization. Still other organizations may be established to deal with specialized economic, social, and cultural questions, as for example the proposed United Nations Organization for Educational and Cultural Reconstruction. I should add to the above list the United Nations Relief and Rehabilitation Administration, popularly referred to as UNRRA, which is in a special position because of its temporary nature.

The Dumbarton Oaks proposals contemplate

that specialized agencies, such as those just described, would be brought into relationship with the general organization so that their policies and activities might be coordinated and related in the over-all picture. This coordination is considered necessary to prevent overlapping and confusion. The responsibility for such coordination would be placed in the highest representative body of the world—the General Assembly; but it would fall to the Economic and Social Council, under its authority, to work out the practical problems involved in such a program.

The Economic and Social Council would be assisted by a series of expert commissions, for economic problems, for social problems, and for any other group of problems, which might be required in this field. An economic commission, for example, served by a highly trained staff, might develop into a sort of international economic general staff in connection with the world organization.

Let me remind you that in this area the Organization would act through recommendations both to governments and to the specialized agencies. It seems likely, however, that recommendations made by the General Assembly or by the Economic and Social Council on the basis of informed and careful preparation by such a staff would command wide attention and respect. This would surely give a very real impetus to effective solution of difficult and complicated, but immensely important, economic and social problems. Its fundamental purpose would be to create conditions under which international disputes would be less likely to arise.

This then is the general plan of the international organization proposed at Dumbarton Oaks. But at least three more steps need to be taken for the effective establishment of the structure. The first would be to negotiate its charter, which would set forth the obligations to be assumed by member states and the basic machinery of the Organization. The second step would be to negotiate an agreement or a series of agreements for the provision by member states of armed forces and facilities for use by the Security Council. The third step would be to negotiate agreements for the regulation of armaments, looking toward a reduction of the heavy burden of armaments. Each of these instruments would be subject to approval by each of the nations involved, in accordance with its constitutional processes. Upon the completion of

these negotiations there would emerge a flexible machinery of organized international relations fully capable of development and growth. No machinery made by man will in itself provide security. *But if the peace-loving nations of the world are firmly resolved to establish such machinery and if they have the sustained will to use and to support it, the proposed Organization would doubtless, we believe, represent a tremendous advance in our modern world.*

Now before closing I venture, purely by way of illustration, to indulge in one or two personal reminiscences which may indicate why I am so profoundly happy to have been associated with the work at Dumbarton Oaks. In 1898, I remember, as a youth, the outbreak of our war with Spain. It was the sinking of the *Maine* that caused the long smoldering resentment of our people to blaze into war, but our differences with Spain were of long duration and of cumulative intensity. Did not the continuance of those differences endanger the maintenance of international peace long, long before war occurred, and would not those differences have been dealt with by such an international body as we now visualize in order to allay that threat in the interests of all?

In 1907 I watched from St. Petersburg the gathering clouds of eventual war. In 1910 and 1911 I saw from Vienna the gradual development of the irritation that resulted in the Balkan wars, and from then until 1914 I watched, from Berlin, the steadily mounting danger of the first World War. At Lausanne in 1923 I was fortunate, by an all-night conference alternately with Mr. Venizelos and General Ismet Pasha, now President of the Turkish Republic, in securing the reciprocal concessions which helped to stave off war between Turkey and Greece, which were then on the very threshold of renewed hostilities owing to a long series of mutual irritations. And then in Tokyo during the 10 years from 1932 to 1941 I watched, impotently, the development of the arrogant and aggressive militarism that had led to the invasion of Manchuria in 1931 and that soon brought about the invasion of North China in 1937 and ultimately the attack on Pearl Harbor in 1941.

With such a background is it surprising that the following thoughts found expression in my diary in 1933:

"Our peace machinery while magnificent in theory is ineffective in practice. It is ineffective

because it is superficial. It is like a poultice prescribed for cancer by the surgeon long after the cancer has been allowed to develop. Most of our international ills closely resemble the ravages of cancer. They generally begin on a small scale as a result of long irritation on a given spot. Even the most skillful physician may not be able to sense the irritation in advance, but the moment the obvious symptoms appear, he seeks to eradicate the disease by treatment long before operation becomes necessary.

"The future peace machinery of the world must go one step further than the physician. It must sense the spots of irritation and diagnose the future potentialities of disease and attempt treatment long before the disease itself materializes. . . .

"To put the matter in a nutshell, the peace machinery of the world must be far more radical, far more prescient, far more concerned with facts, conditions and circumstances than with theories than it is today if it is ever to succeed in abolishing war. . . .

"Some day in the distant future we shall have, perhaps, a sort of Faculty of International Political Health who will study international relationships from every point of view, much as the family physician studies, or should study, the mental, physical, and moral condition of his individual charges. When sources of potential danger to international health are perceived, the Faculty will prescribe, long before the actual illness occurs, in order to eliminate the causes of potential friction, the sources of infection. The curative measures must be taken long, long before the disease has been given an opportunity to grow. In international affairs, once the fever of animosity has appeared, avoidance of the disease is uncertain; it may be too late. The prophylactic steps must be taken in time. Much can be done around a green table in a definite case by the sober judgment of a few far-sighted statesmen long before public opinion has had a chance to become inflamed and their own saner judgment warped by the course of events and by the heat of international animosity.

"This Faculty of International Political Health—a vision of the future (and let me label it as purely a phantasy of my own mind)—must sit constantly, conducting research as in any lab-

(Continued on page 756)

ADDRESS BY LEO PASVOLSKY<sup>1</sup>

[Released to the press December 16]

The Dumbarton Oaks proposals deal with the problem of organized international action for the maintenance of world peace and security and for the advancement of the material and cultural well-being of individuals and of nations. These two great factors of human progress are closely inter-related. The advancement of material and cultural well-being requires a state of affairs in which progress will not be interrupted by wars or impaired by preparations for war. Yet, in the interdependent world of today, whatever arrangements might be set up for the prevention of wars and the elimination of preparations for war will necessarily be precarious and uncertain unless there exist adequate arrangements for collaborative action in the solution of economic and social problems.

One of the great lessons of the recent unhappy past is that it is entirely possible to have, in a period of political and military peace, a condition of violent and destructive economic warfare. That was precisely the situation in which the world found itself during the two uneasy inter-war decades, in spite of many efforts to reverse the trend. It would obviously be an exaggeration to say that the second World War was caused solely by the condition of international economic strife which prevailed in the twenties and even more virulently in the thirties. There were, of course, many other decisive elements in mankind's fatal drift toward the catastrophe of another world war. But it is not too much to say that, so long as international economic relations remained in the state in which they were in the recent decades, both peace and prosperity were forlorn hopes, and the fatal drift toward disaster could not be arrested.

With this recent experience starkly before them, the representatives of the four Governments who met at Dumbarton Oaks sought to fashion a set of proposals which would take into account all of the main factors involved in the task of maintaining international peace and security and of promoting human progress. In the document which emerged

from their meeting, that task is regarded as being of a two-fold character.

First, it is necessary that the nations of the world assume a solemn obligation to resort to none but peaceful means in the settlement of whatever controversies or disputes that may arise among them and in the adjustment of any situations and conditions that may lead to friction or disputes among them. Accordingly, they must assume an obligation not to use armed force or threat of force for these purposes. Having assumed these obligations, they must join together in creating arrangements whereby the peaceful settlement of disputes and the adjustment of conditions which may threaten the peace or security of nations may be facilitated and made effective. They must also join together in combined action to remove threats to the peace and to suppress breaches of the peace—by armed force, if all other means fail.

Second, it is necessary that the nations of the world recognize that disputes, controversies, and frictions among them are less likely to occur if they work together in creating conditions conducive to stability and well-being within nations and, therefore, essential to the maintenance of stable and peaceful relations among nations. They must join together in creating arrangements for facilitating the solution of international economic, social, humanitarian, and related problems and for cooperative action in promoting the type of international relations which is necessary for material and cultural progress.

These are the two great purposes of the international organization outlined in the Dumbarton Oaks proposals. They define its scope and indicate the kind of institutional structure that is necessary for their attainment.

It is proposed that the Organization should be open to membership by all peace-loving states. It is proposed that there should be a General Assembly in which all member states would be represented on an entirely equal footing. There should also be a Security Council, a smaller body, in part elected periodically by the General Assembly.

The General Assembly would be the focal point for international discussion and action with respect to the second of the two great purposes which I have just outlined—the creation of conditions

<sup>1</sup>Delivered at the American Labor Conference on International Affairs, at New York, N. Y., on Dec. 16, 1944. Mr. Pasvolsky is Special Assistant to the Secretary of State.

of stability and well-being essential to the preservation of a peaceful world order. The Security Council would be the focal point for the attaining of the first great purpose—the peaceful settlement of disputes, the removal of threats to the peace, and the suppression of breaches of the peace. In my talk this morning, I shall deal primarily with the proposed General Assembly and with its functions, especially in the field of economic and social cooperation.

The General Assembly, it is proposed, would meet annually or more frequently as special circumstances require. It would be charged with the task of reviewing the state of relations among nations and of making recommendations to the nations as regards the advancement of their cooperative effort in the improvement of political, economic, social, humanitarian, and other relationships and in the promotion of observance of human rights and fundamental freedoms. It would be free to consider any questions that concern relations among nations, including those which arise out of problems of peace and security and out of international cooperation in the solution of international problems and in the promotion of human freedom and human progress. It would not be in any sense a legislative body or an agency of a super-state. It would rather be an instrumentality for common and agreed action by a free association of nations.

The General Assembly would be empowered to create any agencies which it may find necessary for the performance of its tasks. The most important of such agencies is provided for in the proposals themselves. It is the Economic and Social Council which would operate under the authority of the Assembly and would perform functions of far-reaching importance.

In the vast and complicated field of economic, social, and related activities, there is a great need, now more widely recognized than ever, for specialized functional agencies and arrangements to deal effectively and intensively with particular types of activities. Some such agencies and arrangements were set up during the inter-war years, and even before. Their creation and utilization was an important part of the efforts to arrest the course of economic war. The International Labor Organization; the various commissions and committees of the League of Nations in the fields of economic, financial, transportation, and social problems; the International Institute of Agricul-

ture; the Bank for International Settlements; the Institute of Intellectual Cooperation were among conspicuous examples of such agencies. They were all useful, but not sufficiently effective, even when supplemented by various international conferences and by such far-reaching developments as our trade-agreements program and the Tripartite Declaration on currency problems. There were not enough such agencies; many of them were inherently weak; and no machinery existed for their effective coordination and stimulation.

For the past two years, the United Nations and certain other nations associated with them in the prosecution of the war have been making great forward strides toward the establishment of new specialized agencies or toward strengthening the existing ones. The conference at Hot Springs in May 1943 resulted in a plan for an international food and agriculture organization on a much broader basis than the Rome Institute of Agriculture. The Labor Conferences in New York and Philadelphia have laid plans for enlarging the usefulness of the International Labor Organization. A conference in London in the spring of this year brought forward plans for an eventual creation of an international agency for educational and cultural cooperation, again on a broader basis than the Institute of Intellectual Cooperation. The conference at Bretton Woods in July of this year resulted in projects for the establishment of an International Monetary Fund and of an International Bank for Reconstruction and Development, new agencies of far-reaching importance in these great fields. The international conference in Chicago, just concluded, has brought forward proposals for cooperative action in the solution of problems of civil aviation. Plans are being worked out for similar action in the fields of trade, commodities, cartels, other forms of transportation, communication, health, and others.

These are great steps toward the creation of a system of organized international relations in those fields in which satisfactory progress is impossible except on the basis of effective international cooperation. But the fact that a number of such specialized agencies is being brought into existence itself raises a problem. Unless the policies and activities of these agencies are coordinated into a coherent whole from the point of view of the over-all picture and of general welfare, their operations may result in overlapping and confusion and, consequently, in impairment of

the efficacy of each of them. In order to meet this great need for coordination it is now proposed to place the responsibility for such coordination in the General Assembly and, under it, in the Economic and Social Council.

It is, however, not to be anticipated that by the time the international organization is created there will be a specialized agency in every field in which it will be desirable to have such an agency. There may be many fields in which a specialized agency may not be feasible. Hence, the General Assembly and its Economic and Social Council must also engage in promoting cooperation in those fields in which specialized agencies do not already exist, in facilitating the creation of such agencies where they are feasible, and in over-all coordination in the whole realm of constructive international cooperation.

It is proposed that the Economic and Social Council should consist of representatives of eighteen countries, elected every three years by the General Assembly. Neither it nor the Assembly would have any executive functions in the sense that their decisions would be binding upon either the specialized agencies which it coordinates or upon the member governments. The thought is that in this area the international organization should not go beyond the powers of recommendation and should leave to the member states themselves the carrying out of such recommendations, except in such respects as the members of the Organization may request it to assist them more fully.

There were important and, to those of us who worked on the problem, cogent reasons for placing the basic responsibility in these fields in the General Assembly, rather than in a smaller body, the Economic and Social Council, and for giving the Assembly and the Council recommendatory rather than executive powers.

The specialized functional agencies already in existence or in contemplation will be fully representative bodies in the sense that each of them will be based on a wide membership. Hence, it would scarcely be appropriate to assign the task of coordinating their policies and activities to a less representative body, the Economic and Social Council. Yet, the Assembly, a large body meeting at infrequent intervals, will hardly be an effective instrumentality for the task of carrying out its great responsibility. Hence, it is our thought that the Economic and Social Council would be

the active agency of the Organization in these respects, but that it would operate within the framework of policies laid down by the highest representative body in the world and with the backing of that body's authority and prestige. And the Assembly would be the place where really important conflicts and problems would be resolved.

The specialized agencies will necessarily differ in scope and power. Some of them will be operative in character. Some will be promotive and recommendatory. The Dumbarton Oaks proposals envisage that the terms on which they would be brought into relation with the general organization may differ according to their respective character and that, therefore, these terms would be determined by agreement between the Organization and each agency. Some of these agreements may provide for close integration, some for a looser connection.

In any event, it is not anticipated that at this stage it would be either possible or desirable to place them under the control of the general organization. A system of organized international relations must grow and develop, and the machinery established for stimulating its growth must be flexible and capable of adaptation to changing conditions. A technique of systematic and centralized investigation and analysis used as a basis of recommendations for action should be admirably suited to the end in view.

To provide for systematic study and analysis, it is proposed that there be set up under the Economic and Social Council a series of commissions for economic problems, for social problems, for educational problems, and so forth. These commissions would consist of experts in each of the fields and would have attached to them highly competent research staffs. Each commission would be responsible for the collection and analysis of information relating to its particular field and would act, with respect to its field, as an authoritative advisory body for the Economic and Social Council and for the General Assembly.

There is a provision that representatives of the specialized agencies would participate without vote in the deliberations of the Economic and Social Council and of its commissions whenever matters of concern to them are under discussion. It may be found desirable for the Council or its commissions to maintain additional contact with

the specialized agencies through their own representatives at the respective headquarters of the various agencies.

It is hoped that in all these ways there would be created, in connection with the world organization, a sort of an international economic and social general staff. And it seems more than likely that recommendations made by the General Assembly or by the Economic and Social Council on the basis of informed and careful preparation by such a staff would command sufficient attention and respect to provide a very real impetus to effective solution of difficult and complicated, but immensely important, problems of economic and social advancement.

There is one other important function of the Economic and Social Council that should be mentioned. It is proposed that the Council itself, as well as its commissions and staffs, should assist the Security Council, both in the latter's investigation of conditions or situations which may lead to international friction and disputes and in the application of economic measures which may be

utilized in connection with the maintenance of peace and security.

Our problem today and our great responsibility is to see to it that after this war the world will be spared, as it was not spared after the last war, the ravages of disruptive and destructive economic strife and of another world war. The kind of machinery that is proposed in the Dumbarton Oaks document is indispensable for this purpose. Without this much, at least, the future will be dark, indeed. But no machinery, however well constructed, can by itself guarantee peace and insure progress. Our nation and other nations must be resolved to establish an effective international organization and a structure of specialized agencies for international cooperation, to use them, and to act in accordance with the obligations assumed by virtue of membership in them. If they do this, mankind will have made a tremendous advance toward the realization of its age-old dream of a warless world and toward an increasing measure of success in its continuing search for economic, social, and cultural betterment.

### ADDRESS BY DURWARD V. SANDIFER<sup>1</sup>

[Released to the press December 12]

It is both an honor and a pleasure to have the opportunity of appearing here tonight to discuss with this distinguished group of lawyers the Dumbarton Oaks proposals for the establishment of an international organization for the maintenance of peace and security.

I want first to emphasize that the Dumbarton Oaks proposals are the joint product of the thought and study of the responsible officials of the four governments represented at Dumbarton Oaks. The delegations met at Dumbarton Oaks only after each of their governments had completed painstaking and thorough preparations and after preliminary views had been exchanged. We in the State Department had been carrying on intensive research and discussion for over two years, with the wise guidance and under the active leadership of President Roosevelt and Secretary Hull. As you know, the opinion was expressed in some quarters that each of the four governments

should publish separate official plans for the Organization in advance of the Conversations. However, all four governments were in agreement that it was important to enter the preliminary conversations without official commitments to separate plans. In this way no one of the delegations was bound to a single set of proposals.

From my personal observation at Dumbarton Oaks I can testify to the free give-and-take attitude and to the fine cooperative spirit that invariably prevailed there. The inevitable differences of views on specific points were ironed out through days and weeks of frank and patient discussion, and a truly joint product was developed. I believe the encouraging results of these preliminary conversations have borne out the wisdom of the procedure adopted.

The Dumbarton Oaks proposals have now been before the public for more than two months, and full discussion and study of them is well under way. It cannot be repeated too often that such discussion is of vital importance in order that the governments of all the states concerned may know how far their people are willing to go in support of a system for the maintenance of international

<sup>1</sup>Delivered at a meeting of the Bar Association of the city of New York on Dec. 12, 1944. Mr. Sandifer is Acting Chief, Division of International Security and Organization, Office of Special Political Affairs, Department of State.

peace and security. I know of no group having greater responsibility or capacity for participation in that discussion both by direct contribution and by leadership in the communities from which you severally come. Most of you have already been active in both respects, and I can assure you that your contributions to the clarification of the proposals are welcomed by those responsible for their preparation for presentation to the general conference of states.

As you gentlemen are no doubt by now familiar with the general outline and content of the proposals, I believe we can most profitably give special attention to certain features of particular constitutional or legal interest.

## I

A unique feature of the proposals is that they contain in the body of the text in chapters I and II a statement of the purposes and principles of the projected Organization. Material of this character would normally be included in a preamble in the form of introductory or background matter and as a statement of aspirations.

It was the feeling of the draftsmen of this document that the purposes and principles as here formulated constitute the very basis of the Organization and that they should be made an integral part of the charter of the Organization. Their force should not be dissipated through relegation to a preamble. They represent controlling standards for action by the organs of the Organization. For example, it is provided that measures taken by the Security Council for the maintenance of international peace and security should be in accordance with the purposes and principles of the Organization.

Furthermore, a blueprint of the basic structure and scope of the Organization is to be found within the four corners of the statement of purposes:

"1. To maintain international peace and security; and to that end to take effective collective measures for the prevention and removal of threats to the peace and the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means adjustment or settlement of international disputes which may lead to a breach of the peace;

"2. To develop friendly relations among nations

and to take other appropriate measures to strengthen universal peace;

"3. To achieve international cooperation in the solution of international economic, social, and other humanitarian problems; and

"4. To afford a center for harmonizing the actions of nations in the achievement of these common ends."

The essential character and the guidelines of the action of the Organization are laid down in the statement of principles:

1. The sovereign equality of all peace-loving states.

2. The assurance to all members of the rights and benefits resulting from membership in the Organization through the fulfilment of the obligations assumed by the members in accordance with the charter.

3. The settlement of disputes by peaceful means in such a manner that international peace and security are not endangered.

4. All members to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the Organization.

5. Every assistance to the Organization by all members in any action undertaken by it in accordance with the provisions of the charter.

6. All members to refrain from giving assistance to any state against which preventive or enforcement action is being undertaken by the Organization.

## II

The proposals state merely the basic concept of membership in the Organization, leaving further details for elaboration in the charter. "Membership of the Organization", it is stated, "should be open to all peace-loving states". This means an original limited membership, with an aspiration to universality. I say universality advisedly for I believe that the whole Organization is built upon the concept of development of the basis of friendly relations among all nations. The continued maintenance of general peace and security has as the goal of its ultimate achievement bringing all states within the Organization.

It was considered impracticable to base the Organization in the beginning upon the principle, advocated by some, of universal membership co-extensive with the community of nations. How-

ever, it was recognized that in order to carry out its purpose of maintaining international peace and security, the Organization must be in a position to exercise some control over states not originally included as members. So it is provided that the Organization should ensure that states not members act in accordance with the principles of the Organization "so far as may be necessary for the maintenance of international peace and security". That means that such states would be required to settle their disputes by peaceful means in such a manner that peace and security are not endangered; that they shall refrain in their international relations from the threat or use of force in any way which would endanger international peace and security; that they should refrain from giving assistance to any state against which preventive or enforcement action is being taken by the Organization, if such assistance would endanger peace and security. This, as you can readily see, is a rule of far-reaching consequence, but one essential to the effective functioning of the Organization.

Provision is made, as you know, for the admission of new members by the General Assembly upon recommendation of the Security Council.

### III

Another feature of the proposals which has great importance and interest both from a practical and constitutional point of view is the differentiation of power between the General Assembly and the Security Council. This derives from the effort to create an effective instrumentality for the enforcement of security and peace. As a prerequisite to the lodging of effective executive power of enforcement action in the Organization, it was considered essential to create a representative organ of limited membership and to confer principal responsibility upon it for carrying out enforcement action. The need for such a differentiation of authority was clearly indicated by the experience of the League of Nations, in which the Council and the Assembly had fully concurrent powers.

This concentration of authority over enforcement action in the Security Council should not be permitted to obscure the nature and importance of the powers assigned to the General Assembly. In the field of action for the maintenance of peace and security which is the Security Council's primary responsibility, the General Assembly has im-

portant functions. It has the right to consider and make recommendations concerning (1) the general principles of cooperation in the maintenance of peace and security, including the principles governing disarmament, and (2) any questions relating to the maintenance of peace and security brought before it by any members of the Organization or by the Security Council. Cases requiring enforcement action must be referred to the Security Council.

In addition to this assisting role in security matters, which carries great potential power, the General Assembly has exclusive authority, with the assistance of the Economic and Social Council, in the field of international cooperation in the solution of international economic, social, and other humanitarian problems, including the promotion of respect for human rights and fundamental freedoms, and in budgetary matters. It is charged with adjusting situations likely to impair the general welfare, which gives it primary responsibility for what is usually referred to as "peaceful change". It has important electoral functions. Its power to receive and consider reports from the Security Council and other bodies of the Organization has an importance which those accustomed to dealing with law and politics will readily perceive.

### IV

The purpose of the Organization "to maintain international peace and security" is to be achieved by two methods: (1) the taking of "effective collective measures for the prevention and removal of threats to the peace and the suppression of acts of aggression or other breaches of the peace"; (2) the bringing about "by peaceful means [of] adjustment or settlement of international disputes which may lead to a breach of the peace". It is of the greatest importance to keep clearly in mind the close interrelation of these methods—that is, of procedures for settlement of disputes, both legal and political, and for use of force as a last reserve in the event that methods of pacific settlement have failed or will obviously be inadequate. This has nowhere been better stated than by Secretary Hull in his speech of September 12, 1943:

"We must . . . provide for differences of a political character, for those of a legal nature, and for cases where there is plain and unadulterated aggression.

"Political differences which present a threat to

the peace of the world should be submitted to agencies which would use the remedies of discussion, negotiation, conciliation, and good offices.

"Disputes of a legal character which present a threat to the peace of the world should be adjudicated by an international court of justice whose decisions would be based upon application of principles of law.

"But to assure peace there must also be means for restraining aggressors and nations that seek to resort to force for the accomplishment of purposes of their own. The peacefully inclined nations must, in the interest of general peace and security, be willing to accept responsibility for this task in accordance with their respective capacities."<sup>1</sup>

The procedure of pacific settlement recommended by the proposals rests upon the principle that "All members of the Organization shall settle their disputes by peaceful means in such a manner that international peace and security are not endangered". This is far reaching in its consequences, especially when considered alongside the correlative principle that all members "shall refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the Organization". Members are not required to *settle* all disputes, but if they do undertake to settle a dispute it must be in a way which will not endanger peace and security, and they cannot in any case resort to force to bring about a settlement.

The procedure of pacific settlement provided in chapter VIII of the proposals can only properly be understood in the light of these principles. The distinguishing feature of this procedure is the role of the Security Council. It would not itself be a primary agency for the settlement of disputes. Its function would be to encourage settlement by the parties through peaceful means of their own choice; to recommend procedures and methods of settlement when the parties have failed to reach a settlement; and to keep constant vigil that failure to settle a dispute does not threaten the peace. If the Council should find that such a threat had resulted from failure to settle, it would have authority to "take any measures necessary for the maintenance of international peace and security in accordance with the purposes and principles of the Organization".

This means that under the Organization no condition or action which threatens the peace would be allowed to continue. The purpose of the Organization would be to assure a peaceful society within which law and justice could develop and differences could be settled in an orderly and peaceful manner.

Reliance for the settlement of disputes would be placed upon the procedures of negotiation, mediation, conciliation, arbitration, and adjudication. The parties would be obligated first to seek a settlement by these means of any dispute endangering the maintenance of international peace and security. Any state, whether a member of the Organization or not, or the Secretary General could bring such a dispute to the attention either of the General Assembly or the Security Council. The General Assembly could discuss such disputes and make recommendations except where action by the Council is found to be necessary. The Council's function at this stage would be one of recommendation of methods of settlement and not of fixing and imposing the terms of a settlement. There would also be the possibility of resort by the parties to regional procedures of settlement, and the Council would be required to encourage settlement of local disputes through regional arrangements or agencies. If the parties failed to effect a settlement by these methods they would be obligated to refer the dispute to the Security Council.

Thus, we would have a very flexible procedure of adjustment and settlement, subject to the inflexible rule that a dispute should not under any circumstances be permitted to threaten the peace.

One additional important feature is the power of the Council to investigate any dispute or any situation which might lead to international friction or give rise to a dispute, for the purpose of determining whether its continuance is likely to endanger the maintenance of international peace and security. This would enable the Council to meet its responsibility for seeing that disputes which might threaten the peace are dealt with at an early stage.

## V

The international court of justice fits into this picture as the organ through which the parties to a dispute may seek judicial settlement. The proposals recommend that justiciable disputes should normally be referred to the international court of

<sup>1</sup> BULLETIN of Sept. 18, 1943, p. 177.

justice. The word *normally* is introduced here to indicate that a particular dispute, even though justiciable, might be dealt with better in the interests of peace by some other means. Also, it would of course be open to the parties to agree to refer a dispute to some other tribunal.

The distinctive feature of the international court of justice provided for in the proposals is that it is conceived as an integral organ and instrumentality of the Organization rather than as a separate and unrelated or loosely related body. Its statute would be annexed to and be a part of the charter of the Organization. In contrast, the wholly separate character of the Statute of the Permanent Court of International Justice has always been stressed. Further, all members of the Organization would *ipso facto* be parties to the statute, and states not members could only become parties under conditions fixed in each case by the General Assembly upon recommendation by the Security Council. All this has the advantage of identifying the court with the Organization's procedure of pacific settlement and of bringing its business within the orbit of the Organization's enforcement procedures. The decisions of the court would presumably not be enforced as such, but they would have behind them the powerful pressure generated by the whole procedure of collective action and they would be reinforced by the prospect of action to prevent any failure to abide by a decision resulting in a threat to the peace.

The question of ancillary or subsidiary chambers or courts is left open in the proposals. May I call your attention, however, to the provision that the international court of justice should constitute the principal judicial organ of the Organization. I will not attempt to embroider that proposition except to remark that, in the minds of lawyers, where there is a principal there must be an agent. So here presumably the possibility is not excluded of there being at some time ancillary or subsidiary chambers or courts.

The question is also left open in the proposals whether the statute of the court should be that of the existing Permanent Court of International Justice continued in force with such modifications as may be desirable, or a new statute based upon that of the Permanent Court. Whichever form the statute takes, there is the very difficult question of the procedure to be followed in bringing it into

operation. Expressions of views on both these matters would be welcomed by the Department of State. One such expression in favor of continuation of the present Statute, with adaptations, was communicated to the Secretary of State on November 8 by a distinguished group of international lawyers, including several of those present here this evening. Moreover, as the statute of the court is yet to be negotiated, you have an opportunity to offer any suggestions you may have as to important features of it. It is an opportunity which I should think lawyers interested in international organization and especially in international judicial organization would embrace with pleasure.

## VI

Formulating an amendment procedure for an international organization is always a matter of great difficulty. The difficulty was multiplied in the case of these proposals by the paramount importance of the Organization and the character of the obligations to be undertaken by members. Departure from the rule of unanimity was considered essential if the constitution of the Organization was to be a vital, growing instrument. But any departure had to take account of the legitimate needs and the natural sensibilities of the sovereign states thereby affected.

The Statute of the Permanent Court of International Justice offers an immediate illustration of the serious problems resulting from failure to provide a method of amendment. In the absence of such a provision, normal practice and procedure would require the consent of all parties to any change in the statute.

In two or three recent cases—notably the constitutions of the United Nations Relief and Rehabilitation Administration and of the Food and Agriculture Organization—amendments have been divided into classes. Those involving no new obligations would become effective by approval of the competent organs of the Organization, without reference to the states for approval. Others would be referred for ratification. Such a procedure did not seem practicable in an organization of the character projected in these proposals.

While departing from unanimity, the procedure offered in the proposals offers two safeguards. In the first place, the proposal of an amendment re-

quires a two-thirds vote of the General Assembly, which would mean that no amendment could be submitted for ratification without very broad support. In the second place, ratifications must include all the permanent members of the Security Council and a majority of the other members of the Organization. This provision concerning the permanent members is based upon the special responsibilities which they would assume, under the charter, for the enforcement of peace and security. These provisions represent an improvement over the Covenant of the League, which required ratification by all members of the Council and permitted states not ratifying to withdraw.

## VII

What I have said tonight shows clearly the double task which remains to be done. One is carrying to the people everywhere a clear understanding of the Dumbarton Oaks proposals. The other is a completion and clarification of the proposals to assure the effectiveness of the Organization to be fashioned from them.

The first task is a responsibility for all of us. There cannot be any doubt on the record that the people of this country want an international organization and that they want this country to take its full share of responsibility for making the organization a vital and powerful force in the international community. That conviction must be reenforced and translated into the irresistible force of an informed public opinion. Only on such an opinion can we rest our hopes for achieving the establishment of an organization to give us peace and security, and only the unflagging efforts of all of us can bring it about.

The second task is one in which the responsibility for direct action rests with the competent officials of this and of other governments. But that duty can most effectively be discharged with the alert and informed assistance of groups such as this. The Government welcomes your expert counsel. The people must look to you to help give form and substance to their demand for a new international political order that will assure them lasting peace. Your training and experience carries with it a heavy responsibility to help assure that the charter of the International Organization as finally adopted furnishes an effective answer to that demand.

## MEETING OF REPRESENTATIVES OF THE AMERICAN PEACE SOCIETY AND GOVERNMENT OFFICIALS

[Released to the press December 13]

On December 13, 1944, the American Peace Society met with the Secretary of State and with other officials of the Department of State in an informal exchange of views on the Dumbarton Oaks proposals. Harvard University made Dumbarton Oaks available for the meeting. Philip Marshall Brown, President of the American Peace Society, presided.

The Secretary of State was accompanied by the following officers of the Department: Green H. Hackworth, James Clement Dunn, Leo Pasvolosky, and G. Hayden Raynor.

Vice Admiral Russell Willson and Major General Muir S. Fairchild also participated in the discussion.

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**ADDRESS BY MR. GREW**—Continued from page 747 oratory, precisely as the Rockefeller Foundation and other similar bodies are constantly conducting their research for the elimination of cancer today. . . . Their findings, their warnings, their recommendations must be made in time for the prophylactic measures to be effective.

"We have come a long way since the First Hague Peace Conference of 1899; we still have a long way to go. But need we be discouraged? This movement toward international cooperation did not spring, like Athena from the brow of Zeus, full-grown from birth; it must develop gradually, profiting like any infant from its lessons and experience. It *will* grow to full maturity. . . ."

I ask you, ladies and gentlemen, to consider whether the proposed General Assembly, the Economic and Social Council, the Security Council, which is to sit constantly, fortified by the court of international justice and the Military Staff Committee, do not provide a sort of Faculty of International Political, Economic, and Social Health that will be potent to arrest international disease in its incipency and thus work toward the goal of averting for all future time the awful catastrophe of another world war.

# Agreements Relating to Air-Transport Services

[Released to the press December 16]

Agreements providing for commercial air-transport services between the United States and Denmark and Sweden were concluded by an exchange of notes dated December 16, 1944. These agreements result from discussions between representatives of the respective countries at the recent International Civil Aviation Conference in Chicago, and incorporate the standard clauses adopted at the Conference for use in bilateral agreements relating to scheduled air services.

The following is the text of the note addressed to the Swedish Minister, the Honorable W. Boström, quoting the agreement with Sweden and the accompanying annex:

SIR:

I have the honor to refer to negotiations which have recently taken place at the International Civil Aviation Conference in Chicago between the Swedish delegation headed by the Honorable Ragnar Kumlin and representatives of the Government of the United States of America, for the conclusion of a reciprocal air transport agreement.

It is my understanding that these negotiations, now terminated, have resulted in the following agreement:

## AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND SWEDEN RELATING TO AIR TRANSPORT SERVICES

The Governments of the United States of America and Sweden signed on September 8 and 9, 1933, an air navigation arrangement relating to the operation of civil aircraft of the one country in the territory of the other country, in which each party agreed that consent for the operations over its territory by air transport companies of the other party might not be refused on unreasonable or arbitrary grounds. Pursuant to the aforementioned arrangement of 1933, the two Governments hereby conclude the following supplementary arrangement covering the operation of scheduled airline services:

### *Article 1*

The contracting parties grant the rights specified in the Annex hereto necessary for establish-

ing the international civil air routes and services therein described, whether such services be inaugurated immediately or at a later date at the option of the contracting party to whom the rights are granted.

### *Article 2*

(a) Each of the air services so described shall be placed in operation as soon as the contracting party to whom the rights have been granted by Article 1 to designate an airline or airlines for the route concerned has authorized an airline for such route, and the contracting party granting the rights shall, subject to Article 6 hereof, be bound to give the appropriate operating permission to the airline or airlines concerned; provided that the airline so designated may be required to qualify before the competent aeronautical authorities of the contracting party granting the rights under the laws and regulations normally applied by these authorities before being permitted to engage in the operations contemplated by this agreement; and provided that in areas of hostilities or of military occupation, or in areas affected thereby, such inauguration shall be subject to the approval of the competent military authorities.

(b) It is understood that either contracting party granted commercial rights under this agreement should exercise them at the earliest practicable date except in the case of temporary inability to do so.

### *Article 3*

In order to prevent discriminatory practices and to assure equality of treatment, both contracting parties agree that:

(a) Each of the contracting parties may impose or permit to be imposed just and reasonable charges for the use of public airports and other facilities under its control. Each of the contracting parties agrees, however, that these charges shall not be higher than would be paid for the use of such airports and facilities by its national aircraft engaged in similar international services.

(b) Fuel, lubricating oils and spare parts introduced into the territory of one contracting party by the other contracting party or its na-

tionals, and intended solely for use by aircraft of such other contracting party shall be accorded national and most-favored-nation treatment with respect to the imposition of customs duties, inspection fees or other national duties or charges by the contracting party whose territory is entered.

(c) The fuel, lubricating oils, spare parts, regular equipment and aircraft stores retained on board civil aircraft of the airlines of one contracting party authorized to operate the routes and services described in the Annex shall, upon arriving in or leaving the territory of the other contracting party, be exempt from customs, inspection fees or similar duties or charges, even though such supplies be used or consumed by such aircraft on flights in that territory.

#### *Article 4*

Certificates of airworthiness, certificates of competency and licenses issued or rendered valid by one contracting party shall be recognized as valid by the other contracting party for the purpose of operating the routes and services described in the Annex. Each contracting party reserves the right, however, to refuse to recognize, for the purpose of flight above its own territory, certificates of competency and licenses granted to its own nationals by another State.

#### *Article 5*

(a) The laws and regulations of one contracting party relating to the admission to or departure from its territory of aircraft engaged in international air navigation, or to the operation and navigation of such aircraft while within its territory, shall be applied to the aircraft of the other contracting party without distinction as to nationality, and shall be complied with by such aircraft upon entering or departing from or while within the territory of the first party.

(b) The laws and regulations of one contracting party as to the admission to or departure from its territory of passengers, crew, or cargo of aircraft, such as regulations relating to entry, clearance, immigration, passports, customs, and quarantine shall be complied with by or on behalf of such passengers, crew or cargo of the other contracting party upon entrance into or departure from, or while within the territory of the first party.

#### *Article 6*

Each contracting party reserves the right to withhold or revoke a certificate or permit to an airline of the other party in any case where it is not satisfied that substantial ownership and effective control are vested in nationals of a party to this agreement, or in case of failure of an airline to comply with the laws of the State over which it operates as described in Article 5 hereof, or to perform its obligations under this agreement.

#### *Article 7*

This agreement and all contracts connected therewith shall be registered with the Provisional International Civil Aviation Organization.

#### *Article 8*

Either contracting party may terminate the rights for services granted by it under this agreement by giving one year's notice to the other contracting party.

#### *Article 9*

Except as may be modified by the present agreement, the general principles of the aforementioned air navigation arrangement of 1933 as applicable to scheduled air transport services shall continue in force until otherwise agreed upon by the two contracting parties.

#### *Article 10*

In the event either of the contracting parties considers it desirable to modify the routes or conditions set forth in the attached Annex, it may request consultation between the competent authorities of both contracting parties, such consultation to begin within a period of sixty days from the date of the request. When these authorities mutually agree on new or revised conditions affecting the Annex, their recommendations on the matter will come into effect after they have been confirmed by an exchange of diplomatic notes.

### ANNEX TO AIR TRANSPORT AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND SWEDEN

A. Airlines of the United States authorized under the present agreement are accorded rights of

transit and non-traffic stop in Swedish territory, as well as the right to pick up and discharge international traffic in passengers, cargo and mail at Stockholm, on the following route:

New York or Chicago, via intermediate points, to Stockholm; in both directions.

B. Airlines of Sweden authorized under the present agreement are accorded rights of transit and non-traffic stop in the territory of the United States, as well as the right to pick up and discharge international traffic in passengers, cargo and mail at New York or Chicago, on the following route:

Stockholm, via intermediate points, to New York or Chicago; in both directions.

You will, of course, understand that this agreement may be affected by subsequent legislation enacted by the Congress of the United States.

I shall be glad to have you inform me whether it is the understanding of your Government that the terms of the agreement resulting from the negotiations are as above set forth. If so, it is suggested that January 1, 1945 become the effective date. If your Government concurs in this suggestion the Government of the United States will regard it as becoming effective at such time.

Accept [etc.]

For the Secretary of State:

STOKELEY W. MORGAN

The Honorable W. BOSTROM,

*Minister of Sweden.*

The above note was acknowledged by the Swedish Minister, who confirmed that the terms of the agreement were acceptable to his Government.

The following is the text of the note addressed to the Danish Minister, the Honorable Henrik de Kauffmann, quoting the agreement with Denmark and the accompanying annex:

DECEMBER 16, 1944

SIR:

I have the honor to refer to discussions which have recently taken place at the International Civil Aviation Conference in Chicago between you and representatives of the Government of the United States of America, for the conclusion of a reciprocal air transport agreement.

It is my understanding that these discussions, now terminated, have resulted in the following agreement:

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND DENMARK RELATING TO AIR TRANSPORT SERVICES

The Governments of the United States of America and Denmark signed on March 12 and 24, 1934, an air navigation arrangement relating to the operation of civil aircraft of the one country in the territory of the other country, in which each party agreed that consent for the operations over its territory by air transport companies of the other party might not be refused on unreasonable or arbitrary grounds. Pursuant to the aforementioned arrangement of 1934, the Government of the United States of America and the Danish Minister in Washington on behalf of Denmark hereby conclude the following supplementary arrangement covering the operation of scheduled airline services:

[Here follow Articles 1 through 8, the texts of which are identic with the corresponding Articles in the agreement between the United States and Sweden as printed above.]

*Article 9*

Except as may be modified by the present agreement, the general principles of the aforementioned air navigation arrangement of 1934, as applicable to scheduled air transport services, shall continue in force until otherwise agreed upon by the two contracting parties.

[Here follows Article 10, the text of which is identic with Article 10 in the agreement between the United States and Denmark as printed above.]

ANNEX TO AIR TRANSPORT AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND DENMARK

A. Airlines of the United States authorized under the present agreement are accorded rights of transit and non-traffic stop in Danish territory, including Greenland, as well as the right to pick up and discharge international traffic in passengers, cargo and mail at Copenhagen, on the following route:

The United States to Denmark and points beyond, via intermediate points; in both directions.

B. Airlines of Denmark authorized under the present agreement are accorded rights of transit and non-traffic stop in the territory of the United States, as well as the right to pick up and discharge international traffic in passengers, cargo

and mail at New York or Chicago, on the following route:

Denmark to the United States, via intermediate points; in both directions.

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You will, of course, understand that this agreement may be affected by subsequent legislation enacted by the Congress of the United States.

I shall be glad to have you inform me whether it is your understanding that the terms of the agreement resulting from the discussions are as above set forth. If so, it is suggested that the agreement enter into force provisionally on January 1, 1945 and definitively upon confirmation by a free Danish Government when such a Government shall have been established following the liberation of Denmark. If you concur in this suggestion the Government of the United States will regard the proposal as becoming effective under these terms.

Accept [etc.]

For the Secretary of State:

STOKELEY W. MORGAN

The Honorable HENRIK DE KAUFFMANN,  
*Minister of Denmark.*

The above note was acknowledged by the Danish Minister, who confirmed that the terms of the agreement were acceptable.

## Present Problems in Italy

[Released to the press December 14]

The American and British Ambassadors in Rome have been in close contact during the recent developments in Italy. The American Ambassador, Alexander C. Kirk, has kept the Department of State carefully informed. He reports that the new Government of Italy is supported by a majority of the political parties, comprising the Committee of National Liberation, and thus maintains a representative character.

The United States Government, in accord with the British Government, is happy to see the new Italian Government under Signor Bonomi take office.

## Issuance of Visas in Italy And France

[Released to the press December 12]

American diplomatic and consular officers in France are being authorized to give consideration to the following categories of visa applicants. American diplomatic and consular officers in Italy beginning January 1, 1945 also are being authorized to give consideration to the following categories of visa applicants. The travel of those applicants, of course, will be subject to wartime restriction of transportation.

(1) Diplomatic and official visas.

(2) Non-immigrant visas of persons coming to the United States to engage in activities in furtherance of the war effort.

(3) Non-immigrant Italian and French nationals proceeding to the United States for the purpose of promoting future trade relations between Italy and the United States, and France and the United States, when permitted by wartime conditions.

(4) The wives of American citizens, husbands of American citizens married prior to July 1, 1932, and minor children of American citizens; all of whom are entitled to non-quota status and who are the beneficiaries of approved petitions.

Visas will not be issued before the applicants are in possession of passports issued by the country to which they owe allegiance and are in possession of exit permits from their country of residence.

Diplomatic visas will be issued by the American Embassy at Rome. The Consulate at Rome will issue visas to officials not entitled to diplomatic status and other non-immigrant visas mentioned in categories (2) and (3). The consular officers at Naples and Palermo will issue official visas and non-immigrant visas mentioned in categories (2) and (3) and will in addition issue the non-quota visas mentioned in category (4).

Visas of all categories mentioned will be issued at the American Embassy and Consulate General at Paris. Visas other than diplomatic will be issued by the American Consulate General at Marseille.

Visas in other categories will be authorized at a later date when travel and other facilities are available.

## Third Anniversary of the Outbreak of War in the Pacific

### EXCHANGE OF MESSAGES BETWEEN GENERALISSIMO CHIANG KAI-SHEK AND THE PRESIDENT

[Released to the press December 16]

The message dated December 7, 1944 from His Excellency Generalissimo Chiang Kai-shek, President of the National Government of the Republic of China, to President Roosevelt follows:

On the third anniversary of the outbreak of the Pacific war, I take great pleasure in extending to you and the American people my warm greetings and best wishes as well as that of the Chinese people.

The glorious achievements of your armed forces in the Pacific theatre are not only a source of just pride for the United States, but have won the deepest admiration of all her allies. We are proud to be your comrades-in-arms in this war against the evil forces of aggression and are fully confident that as a result of the increasingly close cooperation between our two countries, we shall soon be able to inflict a crushing defeat on the enemy despite his present desperate struggle on the Asiatic mainland.

CHIANG KAI-SHEK

The reply made by President Roosevelt to the message from Generalissimo Chiang Kai-shek follows:

DECEMBER 13, 1944

I thank you in the name of the American people for your stirring message on the anniversary of the outbreak of war in the Pacific.

The satisfaction which we take in the achievements of our armed forces is accompanied by a solemn realization that such achievements are an integral part of a great coordinated effort wherein each success on the part of one nation is built and in large measure depends upon the splendid contributions of all the United Nations. We are proud to be fighting beside the Chinese people, whose long, unconquerable resistance to aggres-

sion forms a foundation stone of the democratic cause, and who, we are confident, will worthily share in the approaching phase of final victory.

FRANKLIN D. ROOSEVELT

## United States Representative On United Nations Interim Commission on Food and Agriculture

[Released to the press December 11]

The President has approved the designation of Howard R. Tolley, Chief, Bureau of Agricultural Economics, Department of Agriculture, as this Government's representative on the Interim Commission to take the place left vacant by the recent resignation of Paul H. Appelby.<sup>1</sup>

The President has also approved the designation of Leroy D. Stinebower, Adviser, Office of Economic Affairs, Department of State, as the alternate representative of the Government of the United States on the Interim Commission.

## Suspension of Tonnage Duties Respecting Ecuador

President Roosevelt, by statute authority vested in him, issued proclamation 2632 on December 12, 1944 declaring and proclaiming that "the foreign discriminating duties of tonnage and imposts within the United States are suspended and discontinued so far as respects the vessels of Ecuador and the produce, manufactures, or merchandise imported in said vessels into the United States from Ecuador or from any other foreign country; the suspension to take effect from November 1, 1944, and to continue so long as the reciprocal exemption of vessels belonging to citizens of the United States and their cargoes shall be continued, and no longer." The full text of the proclamation appears in the *Federal Register* for December 16, 1944, page 14665.

<sup>1</sup> BULLETIN of July 17, 1943, p. 33.

# Nomination for Under Secretary of State

STATEMENT BY JOSEPH C. GREW BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE<sup>1</sup>

[Released to the press December 15]

MR. CHAIRMAN: First of all, I request the courtesy of the Committee in allowing me to set straight certain distortions of fact contained in an article from the *Philadelphia Record* of December 6 which was published in the *Congressional Record* on that date. In that article the statement occurs:

"Since Pearl Harbor and his return to the United States, Grew has frequently advocated a policy of doing business with Emperor Hirohito after the war. He says we must preserve the Mikado as a Japanese symbol around which a stable peaceful government can be built."

Permit me to say, Mr. Chairman, that never since my return to the United States after our six months of internment in Japan have I made such statements or advocated such a policy as are attributed to me in the article under reference. I should like to take this opportunity very briefly to set forth my precise attitude on this question, especially as the misquotation and distortion of one or two of more than 250 public speeches which I have made in our country, trying to tell our people something about what we are up against in fighting Japan, have been widely published and have conveyed an entirely erroneous impression of my position.

My position, in a nutshell, is this: When we get to Tokyo—and we certainly will get there in due course—our main objective will be to render it impossible for Japan again to threaten world peace. We shall first have to maintain order, primarily to provide our army of occupation with conditions which will facilitate their task and safeguard the lives of its personnel and secondarily to conduce toward the attaining of our main objective. We shall then have to take specific measures to demilitarize Japan, both physically and intellectually. This will obviously include, among other things, the destruction of the Japanese military machine and the destruction of their tools of war and the paraphernalia for making those tools of war in the future.

The accomplishment of these objectives in the

post-surrender period in the shortest practicable space of time will be a matter of first importance. The American people will not only expect but will demand a high degree of perfection in our planning, so that the achievement of our security aims as they relate to Japan and, therefore, the repatriation of our soldiers in the army of occupation will not be unnecessarily prolonged. But many still imponderable factors inevitably enter into that planning. Japan has never lost a war in modern times. We therefore have no yardstick to measure the eventual impact on the Japanese mind of the cataclysm of destruction and defeat. Before we allow any Japanese authority to emerge in the post-surrender period, we can—and I hope we will—require it to demonstrate that it will be cooperative, stable, and trustworthy. But if we were to prescribe in advance the eventual Japanese political structure that will follow military occupation, thus severely circumscribing the compass within which such structure could take shape, we would necessarily have to assume the responsibility for any delay in achieving our security objectives and in bringing home our soldiers. We shall have to be governed by facts and realities rather than by theories when the time comes to act, and in taking measures for the attainment of our objectives, we shall wish to avail ourselves of whatever may appear to be assets and to eliminate, as far as practicable, whatever may prove to be liabilities. This seems to me to be plain common sense.

Now with regard to the institution of the emperor, I do not think that anyone is yet in a position to determine definitely whether it is going to be an asset or a liability. Whatever decisions are made they should certainly be made on a purely realistic basis and on the basis of intimate contact with the various current factors involved in the problem. It must be remembered today, if we are not to repeat the errors of the past, that Japanese attitudes and reactions have not conformed in a single important respect to any universal pattern or standard of behavior. We shall have learned nothing from the past if we assume that Japanese reaction in any specific instance is going to con-

<sup>1</sup> Made before the committee on Dec. 12, 1944.

form to a universal pattern. I have never held and have never stated that the Japanese Emperor should be retained after the war nor have I ever held or stated that the Japanese Emperor should be eliminated after the war. I believe that the problem should be left fluid until we get to Tokyo and our authorities and the authorities of those of the United Nations directly concerned can size up the situation and can determine what will best conduce to the attainment of our objectives. I do not believe that the solution of this problem can intelligently or helpfully be reached until we get to Tokyo.

I have a feeling that the importance of the emperor institution, especially as a factor in the dynamic aspects of Japanese policies and actions, has been greatly exaggerated. It is argued that it is the existence of this institution that made possible Japanese militarism and aggression. This argument must be examined in the light of the fact that during the preceding period of Japanese aggression in the sixteenth century, when the ruling warlord tried to conquer Korea and China, the imperial family had been barely maintaining a shadow existence for several centuries. Unlike the warlords of today whose conquests, they proclaim, are due to the "august virtues of the Emperor", whose instruments they proclaim themselves to be, it was Hideyoshi, the shogun or military dictator, and not the Emperor, who said that when he had conquered China and Korea he would make himself and not the Emperor the master of the world. The emperors in those days were completely overshadowed by the shoguns and were usually hard put to it to maintain a bare living. My point is, therefore, that the Japanese do not need to have an emperor to be militaristic and aggressive, nor is it the existence of an emperor that makes them militaristic and aggressive. There are conditions more deeply rooted in their social structure and concepts growing out of that social structure which will have to be excised in one way or another. It will be one of our fundamental objectives to remove those conditions. As I have said, no one today can predict what the impact of the cataclysm of defeat will have on the Japanese mind. There might be a complete revolution from all the archaic concepts of the past. The emperor institution might, on the other hand, be the only political element capable of exercising a stabilizing influence. To understand the position of the Emperor in the Japanese political

### Statements Before the Senate Foreign Relations Committee

The statements before the Senate Committee on Foreign Relations made by the Secretary of State, Joseph C. Grew, William L. Clayton, James C. Dunn, Archibald MacLeish, and Nelson A. Rockefeller on December 12 were printed in the BULLETIN of December 10, 1944, pages 686-93.

structure, it might be useful to draw a homely parallel.

As you know, the queen bee in a hive is surrounded by the attentions of the hive, which treats her with veneration and ministers in every way to her comfort. The time comes, however, when a decision of vital importance to the hive must be made. The hive vibrates as though in excited debate, and finally the moment arrives when the queen is thrust forth into the outside world, and the hive follows her to its new home. It was not the queen which made the decision; yet, if one were to remove the queen from the swarm the hive would disintegrate.

I do not wish to push the parallel too far, but I believe it describes with substantial accuracy the position in the past of the imperial institution. If a new condition has arisen, so much the better, but if the other possibility eventuates and the emperor remains as the sole stabilizing force, I would not wish to have ourselves committed to a course which might conceivably fix on us the burden of maintaining and controlling for an indefinite period a disintegrating community of over seventy million people.

That, Mr. Chairman, represents in brief my position on this subject. That is why I have never advocated either the retention or the elimination of the Japanese Emperor after the war. I want to wait and see. I believe this to be plain common sense.

It may be pertinent to add in this connection the statement of Chiang Kai-shek in his New Year's message to the Chinese armies and people on January 1, 1944 that in his opinion the question of what form of government Japan should adopt after the war should be left to the awakened and repentant Japanese people to decide for themselves.

# Japan's Mandated Islands

By GEORGE H. BLAKESLEE<sup>1</sup>

The chief value of the Japanese mandated islands is strategic. They have been called anchored airplane carriers which largely control the Pacific Ocean between Hawaii and the Philippines. In view of Japan's use of them in the present war, the question of their future sovereignty or control will presumably be raised in the negotiation of the peace.

## PHYSICAL GEOGRAPHY

The South Sea Islands under Japanese mandate, comprising the Marshall, Marianas, and Caroline groups, extend about 2,700 miles from east to west and about 1,300 miles from north to south. They number 623 islands and small island groups, many of which are surrounded by a large encircling coral reef. Their total land area is small, amounting to about 830 square miles, or considerably less than the area of the State of Rhode Island. The Marshalls, to the east, are low-lying coral islands. The Marianas, to the north, are high, of volcanic origin, ranging from 1,000 to 3,000 feet in elevation. The Carolines, extending farthest to the west, are in large part atolls, coral islets surrounded by reefs, although the larger islands have high volcanic peaks in the center. The Island of Guam, owned by the United States, is one of the Marianas group. The climate of the islands is hot and humid.

The islands have a number of landing fields, a number of small, well-protected harbors suitable for submarines, seaplanes, and light surface naval vessels, and 10 fleet anchorages within certain of the lagoons. The Truk Island group is especially important. It contains 7 high and some 60 low islands, all enclosed within a great coral reef; and the lagoon thus formed is 30 miles in diameter. The mandated islands, which parallel and cut the natural line of communications between Hawaii and the Philippines, furnish bases for attacks on American island possessions.

<sup>1</sup> Mr. Blakeslee is Consultant to the Division and Head of the Far Eastern Unit, Division of Territorial Studies, Office of Special Political Affairs, Department of State.

## THE PEOPLE

The population in 1920, the year of the first Japanese census, and in 1938, the year covered by the last Japanese report on the mandate, was:

	1920	1938
Natives	48,505	50,868
Japanese	3,671	70,141
Foreigners	46	119
Total	52,222	121,128

According to the census of 1940, summaries of which are available, the total population was 131,157. Since the native stock increases slowly, it may be estimated that in 1940 about 80,000 Japanese and 51,000 natives lived in the islands. The Japanese immigrants now greatly outnumber the natives; this is especially noticeable in the Marianas, where 41,991 Japanese and only 4,192 natives lived in 1938. The Japanese population has been growing rapidly from immigration and through natural increase.

The natives are divided between Chamorros, who number only 3,827, and Kanakas. The former, who live for the most part in the Marianas, are physically somewhat similar to the Filipinos. They have been affected considerably by intermarriage with the Spanish. They speak a form of Spanish and have adopted a large measure of Spanish civilization. The Kanakas are Micronesian, with a mixture of Melanesian, Malay, and Polynesian; they speak a variety of native dialects. In the Marshalls and in some of the eastern Carolines they were civilized and largely Christianized by missionaries from the United States; in the western Carolines, especially Yap, their primitive native life has been little affected.

## RESOURCES

The economic value of the mandate probably is not great. Coconut palms are found on most of the islands. Phosphate rock in good quantity is mined on Angaur and neighboring islands in the western Carolines. Sugar is raised on Saipan, Tinian, and Rota, of the Marianas. Bonito, a variety of fish, is dried and exported. Recently

substantial quantities of bauxite and manganese are alleged to have been discovered. The Japanese have estimated the bauxite deposits, principally on Palau, at 4,000,000 metric tons. In the spring of 1943 the Tokyo radio stated that "a vein of high-grade manganese ore, with a metallic content of 80 to 90 percent was discovered on Saipan a few days ago. Last spring another vein of manganese ore was struck in Omiya island, formerly Guam, immediately after Japanese occupation and substantial quantities are now being mined." If these reports regarding bauxite and manganese ore should be substantiated, the economic value of the islands would be substantially greater than previously estimated.

### HISTORY

#### *To 1919*

The Spanish early obtained title to the Marianas and Carolines and in the former group introduced the elements of Spanish civilization. Germany took possession of the Marshalls in 1885; and in 1899, after Guam in the Marianas had been ceded to the United States as a result of the Spanish-American War, it bought from Spain for a little over \$4,000,000 the remaining Marianas and all the Carolines. Germany thus owned, from 1899 to 1914, all the islands which now compose the Japanese mandate.

The German administration was reasonably successful both economically and in its treatment of the natives, who were left very largely to their own tribal customs and tribal political control. The Germans greatly increased the export of copra and of phosphate rock.

In 1914 the Japanese captured all these German islands except the phosphate Island of Nauru, south of the equator, one of the British-occupied Marshalls. The Germans had neither fortifications nor soldiers on any of the islands.

In 1919, at the time of the Paris Peace Conference, Japan was in firm military occupation of these islands and had formal promises, obtained in 1917, from the Governments of Great Britain, France, and Italy that at the peace conference to follow the war those Governments would support Japan's claim to the German islands north of the equator.

#### *United States Interests to 1919*

*Missions from the United States.* United States missionary influence became so strong throughout the Marshalls and the eastern Carolines that the

claims of the missions alone would probably have been ample to justify the United States in extending its political control over all the archipelagoes in this part of the Pacific. In 1852 the American Board of Commissioners for Foreign Missions, with headquarters in Boston, which was in reality the missionary society of the Congregational Church, established missions at Kusaie and Pohnape, two of the principal islands of the eastern Carolines, and in 1857 on the Marshalls. These islands were entirely independent. The missionaries civilized and educated the natives; and after some years they converted to Christianity most of those living on certain of the eastern Carolines and on the Marshalls. In some of the islands the missionaries were practically the rulers. The natives came to favor Americans and to prefer the sovereignty of the United States to that of any other foreign power.

*The Scramble, 1884-5.* The United States made no move to develop its predominant influence into political control. It complained vigorously when Germany seized the Marshalls in 1885 and when Spain reasserted its old claims to the Carolines; yet the United States made no adequate effort to preserve their independence, and it failed to take them itself.

*United States Change of Policy, 1898.* The policy of the United States, which in the 1880's was opposed to the acquisition of any of the Pacific islands, was changed by the Spanish War. During the negotiations at Paris in 1898 between the United States and Spanish Commissions, the United States Delegates became convinced of the importance to the United States of securing not only Guam but also the Caroline Islands, provided it acquired the Philippines.<sup>1</sup> The United States Commission, by authority of the United States Government, offered Spain an additional \$1,000,000 for the Island of Kusaie, one of the most important of the eastern Carolines, together with the right to land telegraph cables in certain other Spanish territory. The Spanish Commission refused the offer, and the United States Government was evidently unwilling to insist upon the cession of Kusaie by a threat of renewing the war; the matter, therefore, was dropped.

*Strategic Value to the United States.* It was largely because of their naval importance that

<sup>1</sup> Treaty of Peace, 1898, *Foreign Relations, 1898*, pp. 831-40.

Germany had purchased the Carolines and Marianas in 1899. Japanese naval and nationalist leaders wished to keep the Islands chiefly because of their possible value in a war against the United States. They frequently expressed this view in speeches and in newspaper and magazine articles.

*The Paris Peace Conference, 1919-20*

At the Paris conference the Japanese Delegation claimed that the former German islands north of the equator should be transferred to Japan in full sovereignty. President Wilson made no effort to obtain them for this country, although he was disturbed at the thought of Japan's possessing them and was opposed to permitting Japan to use them as naval bases. It was finally decided that these islands should be constituted as a "C" mandate under the administration of Japan but subject to the terms of a charter or mandate and to the supervision of the League of Nations.

Important legal provisions and steps were involved, as follows:

By article 119<sup>1</sup> of the Treaty of Versailles Germany renounced in favor of the Principal Allied and Associated Powers (the British Empire, France, Italy, Japan, and the United States) "all her rights and titles over her oversea possessions."

By article 22<sup>2</sup> of the treaty it was provided that Germany's former colonies should be administered by Mandatories, according to certain general principles enunciated in the article, and "on behalf of the League."

Considering these two articles together, it appears that the Principal Allied and Associated Powers had obtained Germany's "rights and titles" to her islands in the Pacific north of the equator but that they could exercise these rights and titles in only one way: by allocating these islands as a mandate to be administered by some mandatory power.

The Principal Allied and Associated Powers, including the United States, through their representatives, at a meeting on May 7, 1919 voted to confer on Japan a mandate for the "German islands north of the Equator". This was a preliminary and conditional commitment, since the

<sup>1</sup> Redmond, *Treaties, Conventions, International Acts, Protocols, and Agreements Between the United States of America and Other Powers, 1910-1923*, p. 3391.

<sup>2</sup> *Ibid.*, p. 3342.

Treaty of Versailles had not been signed and the Principal Allied and Associated Powers were not at the moment in possession of Germany's "rights and titles". Later, after the treaty had been signed and the United States had refused to ratify it, the Principal Allied Powers, without the consent of the Associated Power (the United States), acting on the basis of the vote of May 7, allocated these German islands as a mandate to Japan, and on December 17, 1920 the Council of the League of Nations approved and confirmed the mandate charter which prescribed the terms and conditions on which Japan should act as Mandatory.

Japan formally agreed to be Mandatory on the conditions stated in the mandate charter, which permitted her to "have full power of administration and legislation over the territory . . . as an integral portion of the Empire of Japan" but which placed her under the following legal obligations: (1) to "promote to the utmost the material and moral well-being and the social progress of the inhabitants of the territory",<sup>3</sup> in various ways which were specified; (2) to make an annual report to the Council of the League on its administration of the mandate; (3) to observe the following prohibition: "Furthermore, no military or naval bases shall be established or fortifications erected in the territory".

*The United States and the Mandate Controversy*

The United States Government raised two issues with the Council of the League and with Japan, based on two contentions, as follows: (1) that the Island of Yap had not been included within the Japanese mandate and (2) that the Council of the League had no authority to confirm the Japanese mandate and that the Japanese Government had no legal right to act as Mandatory without the express consent of the United States.

*Yap.* Yap was a cable center with cables running to Shanghai, to Guam, and to Menado in the Dutch possessions. President Wilson and Secretary Lansing wished to institute a special regime for Yap so that United States cable interests might use the island, and during discussions regarding the allocation of various mandates held by the Council of Principal Powers they made reservations regarding Yap, stating that it should not be included within the Japanese mandate. On

<sup>3</sup> Treaty Series 664.

May 7, 1919, however, the Council of Principal Powers reached decisions regarding the allocation of various mandates; and the minutes stated without any qualification that Japan was to have the mandate over "the German islands north of the Equator". When in October 1920 it appeared that the Japanese mandate charter, which would evidently be approved shortly by the Council, contained no such reservation, the United States Government protested vigorously to Japan, Great Britain, France, Italy, and the Council of the League.

In 1921 the Japanese Government agreed to open negotiations on the issue.

*The Allocation of Mandates.* After the United States declined to ratify the Treaty of Versailles, a question arose over what rights and interests it possessed in and in regard to the mandated territories. Following an extended correspondence with the Council of the League and with the Governments of the Principal Powers, the United States Government defined its position most fully in an identic note of April 2, 1921,<sup>1</sup> written by Secretary of State Hughes, to the Governments of Japan, Great Britain, France, and Italy. Its contentions were in summary the following:

(1) The United States as a participant in the war obtained rights, in and with regard to the territories won as a result of the victory, of which it could not be deprived without its consent;

(2) These rights were confirmed by the Treaty of Versailles, which provided that Germany ceded its rights and titles over its oversea possessions to the Principal Allied and Associated Powers, of which the United States was admittedly one;

(3) They were further recognized by the wording of the mandates, which stated that it was the Principal Allied and Associated Powers which allocated the mandated territories and which thereby recognized that the allocation could not be effective without the agreement of the United States;

(4) They were strengthened (a contention advanced in later documents) by the treaty between the United States and Germany signed on August 25, 1921,<sup>2</sup> by which Germany confirmed to the United States the benefits which accrued to it under article 119 of the Treaty of Versailles;

(5) The United States, therefore, still retained its rights and interests in Japan's mandated islands (popularly termed an undivided one-fifth

ownership), and these could not be ceded or surrendered to Japan or to any other state except by treaty.

After extended correspondence Japan also consented to open negotiations in regard to the rights of the United States in its mandate.

*The Convention of February 11, 1922*<sup>3</sup>

After months of negotiation the United States and Japan agreed on a convention, signed February 11, 1922, which defined their respective rights in the Japanese mandate. Its significant provisions were as follows:

*Yap.* The Island of Yap was recognized by the United States as a part of the Japanese mandate; but the United States and its nationals were granted equality with Japan in the island in all that pertained to cable rights and privileges. Apparently no advantage was taken of this concession. Of the former three cables, the only one now in operation connects with Naku in the Liu-chiu Islands and with the South Seas and Japan. Presumably the increased use of radio has lessened the former keen interest in cable rights.

*The Japanese Mandate.* (1) The United States consented to the administration by Japan of its mandated islands, subject to the provisions of the American-Japanese convention and pursuant to the mandate charter, the text of which was copied verbatim in the convention.

(2) Japan granted to the United States "all the benefits of the engagements of Japan, defined in Articles 3, 4, and 5 of the aforesaid Mandate", articles which included all the general rights enjoyed by the members of the League of Nations and which thus specifically gave to the United States a direct pledge from Japan that "no military or naval bases shall be established or fortifications erected in the territory".

(3) Existing treaties between the United States and Japan were to be applicable to the mandate.

(4) Japan promised to send to the United States a duplicate of its annual report to the Council of the League of Nations.

(5) "Nothing contained in the present Convention shall be affected by any modification which may be made in the terms of the Mandate as recited in the Convention, unless such modification

<sup>1</sup> *Foreign Relations, 1921*, vol. 2, pp. 279-83.

<sup>2</sup> 42 Stat. 1939.

<sup>3</sup> 42 Stat. 2149.

shall have been expressly assented to by the United States".

(6) In a note given to the Secretary of State at the time of the signature of the treaty, Baron Shidehara, the Japanese Ambassador, wrote: "I have the honor to assure you, under authorization of my Government, that the usual comity will be extended to nationals and vessels of the United States in visiting the harbors and waters of those islands".

(7) Since the convention extended to the mandate the existing treaties between the United States and Japan, United States citizens were legally entitled to enjoy in the mandated islands all the rights provided for in the American-Japanese commercial treaty of 1911,<sup>3</sup> including the right "to enter, travel and reside" in the islands in order "to carry on trade" and "generally to do anything incidental to or necessary for trade upon the same terms as native citizens or subjects, submitting themselves to the laws and regulations there established" and "freely to come with their ships and cargoes to all places, ports and rivers in the territories of the other which are or may be opened to foreign commerce".

The treaty of 1911 was terminated on January 26, 1940.

#### *The Present Legal Status of the Islands*

The last report received from the Japanese Government on its administration of its mandated islands, for the year 1938, stated that "the Territory is under Japanese Mandate according to the provisions of Article 22 of the Treaty of Peace signed at Versailles on June 28, 1919 between the Allied and Associated Powers and Germany as well as to the decision made by the Council of the League of Nations on December 17, 1920".

After Japan gave notice, in 1933, of its withdrawal from the League of Nations, which became effective on March 27, 1935, there was considerable discussion of its right to be a Mandatory if it ceased to be a member of the League. Mr. Hirota, the Japanese Foreign Minister, said in the Diet on February 22, 1934: "The Japanese Government believe that Japan has acquired the status as Man-

datory through a decision reached among the Principal Allied and Associated Powers and that her status as Mandatory will not be affected in any way by Japan's withdrawal from the League. The Japanese Government, however, have never entertained the view that these islands are Japanese territory." Japan's right to continue to act as Mandatory was not officially questioned after its withdrawal from the League.

## The Proclaimed List

[Released to the press December 17]

The Secretary of State, acting in conjunction with the Acting Secretary of the Treasury, the Attorney General, the Secretary of Commerce, the Administrator of Foreign Economic Administration, and the Coordinator of Inter-American Affairs, issued on December 16 Cumulative Supplement 4 to Revision VIII of the Proclaimed List of Certain Blocked Nationals, promulgated September 13, 1944.

Cumulative Supplement 4 to Revision VIII supersedes Cumulative Supplement 3 dated November 17, 1944.

Part I of Cumulative Supplement 4 contains 23 additional listings in the other American republics and 279 deletions; Part II contains 19 additional listings outside the American republics and 45 deletions.

The names of a considerable number of persons and firms in Mexico have been deleted in the current supplement. These deletions are a consequence of the effective action taken by the Mexican Government under the Mexican Law Governing Enemy Properties of Businesses of June 11, 1942. Subsequent supplements are expected to continue the reduction of the Proclaimed List for Mexico. It is the previously announced policy of the United States Government to coordinate its Proclaimed List controls with the controls established by other governments. Similar deletions will be made as rapidly as the effectiveness of the local control laws in the various countries makes the continued inclusion of particular names in the Proclaimed List no longer necessary.

<sup>3</sup> 37 Stat. 1504.

# First Progress Report of the Joint Survey Group

By ALAN N. STEYNE<sup>1</sup>

The Joint Survey Group was established on April 25, 1944 to examine the reporting requirements of the Foreign Service, to initiate and prepare necessary instructions for the field, and to recommend any measures directly or indirectly needed to bring Foreign Service reporting to a maximum efficiency.

The Group is an interdepartmental organization, composed of over 100 Foreign Service officers and other officials who make use of the reports from the field and who prepare instructions requesting information from abroad. When desirable, individuals not originally members are co-opted for special assignments. All operate as members of one or more of the subcommittees or their subsidiary working parties which deal with specific aspects of the reporting problem.<sup>2</sup> The diagram below illustrates the break-down of the work of the Joint Survey Group into functional committees. (The arrows indicate flow of instructions; italics indicate committees and working parties whose assignments are completed and which will be disbanded.)

The proposals of the Group thus represent the consensus of the country and functional desk officers in the Department and other interested agencies. Suggestions from the field have also been solicited. Numerous helpful ideas have been received which have been or will be included in the Group's plans. This corporate backing has been effective in accelerating approval and action upon the recommendations.

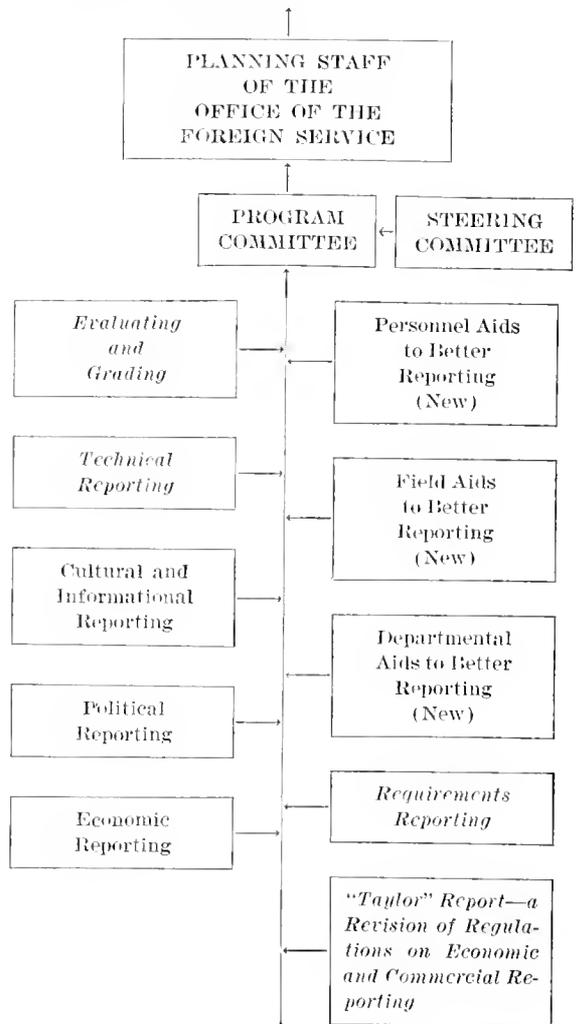
Instructions and recommendations approved by the Program Committee, which reviews and coordinates the subcommittees' work, are transmitted to the Director of the Office of the Foreign Service. The Director puts the recommendations into effect or sponsors them before the appropriate departmental committees or officials for action.

The progress made by the Group during its first five months of work is as follows:

A. Twenty-six instructions have been prepared which relate to the following aspects of reporting:

1. General Survey of Foreign Service Reporting
2. Preparation of Quarterly Economic Reviews
3. Requirements Reporting
4. Reporting Duties of Mineral Attachés
5. Preparation of Mineral Trade Notes

## TRANSMISSION OF RECOMMENDATIONS AND INSTRUCTIONS TO APPROPRIATE DEPARTMENTS, AGENCIES, AND MISSIONS



<sup>1</sup>Mr. Steyne, a Foreign Service officer, is chairman of the Steering Committee of the Joint Survey Group.

<sup>2</sup>BULLETIN of June 24, 1944, p. 589.

6. Preparation of Agricultural Reports.
7. Preparation of Non-Agricultural and Commodity Reports
8. Market Reports
9. Statistical Reporting
10. Preparation of Commerce Questionnaires
11. Preparation of the Annual Economic Review
12. Financial Reporting
13. Reporting in Liberated Areas
14. Evaluation and Grading of Reports, etc.
15. Civil Aviation Reporting
16. Economic and Political Conference Work of Foreign Service Officers
17. Cultural Reporting
18. Informational Reporting
19. Construction Reporting
20. Electric Power Reporting
21. Preparation of Summaries of Economic Information
22. Biographical Reporting
23. Political Reporting From Consular Posts
24. Commercial Policy Reporting
25. Labor Reporting
26. Telecommunications Reporting

The representatives from all the interested agencies have cooperated with officials from the interested divisions in the Department of State in helping the Group draft these reporting directives. Those particularly active are the Department of Commerce, the Department of Agriculture, the Tariff Commission, the Foreign Economic Administration, the Bureau of Mines, and the Bureau of the Budget.

A comprehensive Manual of Reporting is under preparation and these instructions will constitute part of the special section relating to economic reporting.

B. A detailed plan has been prepared and the necessary recommendations made and approved to bring about noteworthy changes in the present system for evaluating reports received from the field. The necessary organizational machinery has also been worked out to enable the Directors of the Offices of Economic Affairs and of the Foreign Service to assess at any moment the quality and volume of the reporting being done at any particular point in the field and to determine what aspects of this reporting need attention. A considerable increase in staff will be required to carry out these recommendations which have been budgeted for and approved by the Division of Budget and Finance. They will be put into effect as soon as possible.

C. Outstanding individuals in academic, busi-

ness, and government circles have talked to joint committees of the Group. Among those are William Langer, of Harvard; DeWitt Poole, of Princeton; Robert Watt, International Representative of the American Federation of Labor; Jacob Viner, of Yale; James Carey, Secretary-Treasurer of the Congress of Industrial Organizations; Mrs. Vera Micheles Dean, Research Director of the Foreign Policy Association; Senator Joseph Ball; Eric Johnston, President of the United States Chamber of Commerce; and Nelson A. Rockefeller, Coordinator of Inter-American Affairs. These individuals have gained a knowledge of the work and future plans for the Foreign Service and they themselves have presented ideas for the improvement of the Service. As rapidly as feasible, other persons prominent in their respective fields will be asked to work with the Group.

D. Problems have been analyzed and carefully studied and recommendations will soon be formulated by the Group with respect to plans for arrangements to assist in the handling of technical and specialized reporting work of the Foreign Service through the formation of a Foreign Service Officers' Reserve; for concentrated four months' language-instruction courses similar to those developed by the armed forces during the war, which will enable Foreign Service officers to arrive at a new post speaking the language of the country; for the provision of essential and urgently needed "job allowances" for reporting officers; for improvements in the framing of instructions to the field; for in-service and progressive training courses for Foreign Service officers; for an integration of the reporting work of the missions and consulates; for the preparation of a basic Manual of Reporting; and for more effective utilization of the reporting organization and personnel.

Experience to date has shown the value of the Group as a forum where representatives from all divisions of the Department and officials from other interested agencies meet on an informal basis to discuss their common reporting and ancillary problems. The result has been an appreciable improvement in the instructions now being sent to the missions and consulates and a greater awareness, on the part of other agencies, of the Department's reporting problems. It is thus bringing about a better balance in the heavy overall reporting load, together with a diminution in

the excessive reporting demands which were beginning to be made upon the field.

A unique, cooperative, interdepartmental enterprise has been launched composed of Foreign Service officers and other officials aware of the Government's informational needs from abroad, acquainted with the specific problems involved, and familiar with the difficulties facing reporting officers in their daily work. The net results so far have been to raise the reporting "sights" of the Service; to provide more effective guidance to the field; to initiate urgently needed changes to facilitate better reporting work, and to prepare the required plans; and, finally, to restore a necessary self-confidence in the future of the Service which ill-informed attacks and the slow pace of reforms had sapped. This new situation has largely been achieved by telling the Foreign Service: "Study your own problems, state what needs to be done, and action will be taken. The initiative and opportunity are yours."

The one difficulty of utilizing the Group as an adjunct to the planning work is that all the members have heavy priority responsibilities. The progress of the work, therefore, is not so rapid as is desirable. On the other hand, the procedure has enabled the Planning Staff to tap the experience and knowledge of a much wider number of persons than otherwise would be available. It also puts behind the Group's recommendations the support, on a democratic basis, of a large number of officials directly concerned with the problems to be solved. These advantages have greatly outweighed the fact that members can devote only part of their time to the Group's work.

The progress made to date permits the conclusion that the establishment of the Joint Survey Group has been a most timely and effective project which should continue to be of material assistance to the Planning Staff in preparing the Foreign Service for its post-war responsibilities.

## Resolutions Pertaining To Palestine

[Released to the press December 11]

Resolutions pertaining to Palestine have recently been before the appropriate committees of the Con-

gress, and the Senate Committee on Foreign Relations has inquired as to the attitude of the Department of State toward these resolutions.

The Department has the utmost sympathy for the persecuted Jewish people of Europe and has been assisting them through active support of the work of the War Refugee Board and in every other possible way. The Department considers, however, that the passage of the resolutions at the present time would be unwise from the standpoint of the general international situation, and has so informed the Senate Committee on Foreign Relations.

## Visit of the Minister of Foreign Affairs of Panama

### REMARKS BY THE SECRETARY OF STATE<sup>1</sup>

[Released to the press December 12]

MR. MINISTER: It is with the greatest pleasure that I extend to you a warm welcome on behalf of the Governing Board of the Pan American Union.

We are happy to greet the distinguished son of that eminent Panamanian patriot, statesman, diplomat, historian, and man of letters, Samuel Lewis.

As Minister of Foreign Affairs, you are worthily following in his illustrious footsteps. To your family background of loyal and devoted service to the highest interests of Panama, you have added practical experience as member of the National Assembly and in other important positions. You have demonstrated your unswerving devotion to the ideals of liberty and justice. We feel confident, therefore, that this combination of heritage and personal achievement augurs well for a continuance of your country's high standards in the conduct of its relations with the rest of the world.

In extending to you the welcome of the Governing Board, I should like to combine therewith our warmest wishes for the welfare of the President of Panama, and for the progress and prosperity of the people of your country.

<sup>1</sup>Delivered at a special session of the Governing Board of the Pan American Union in honor of the Honorable Samuel Lewis.

## Visit of Indian Scientists

[Released to the press December 11]

A group of seven leading Indian scientists arrived in the United States on December 8 for an eight weeks' tour of the country. The group has just completed a similar visit to Great Britain at the invitation of the British Government; and before returning to India they were anxious to meet with leading American scientists particularly in the fields of physics and chemistry.

The following eminent scientists are included in this group: Dr. Nazir Ahmad, Col. S. L. Bhatia, Sir Shanti Swarup Bhatnagar, Sir Jnan Chandra Ghosh, Prof. S. K. Mitra, Prof. Meghand Saha, and Prof. J. N. Mukherji.

The tour is under the joint auspices of the Indian Agency General, the National Research Council, and the Department of State. Mr. Frank S. Coan, an officer of the Department, has been delegated to accompany the scientists on their tour. The scientists will reside at the Blair-Lee House as guests of the Department during the first part of their Washington stay.

## Visit of Indian Social Scientist

[Released to the press December 16]

Dr. J. M. Kumarappa, who is visiting the United States as the first guest from India of the Department of State under its program of cultural cooperation, arrived in Washington on December 11 for a three-week stay. Dr. Kumarappa is Director of the Tata Institute of Social Sciences at Bombay, India's leading institute for the education and training of workers in social welfare.

Here in the United States in response to an invitation which attracted considerable favorable comment in the newspapers in India, Dr. Kumarappa plans to visit many well-known institutions and centers for social-science study, and also to meet with organizations and persons prominent in the social-science field.

Dr. Kumarappa is residing at the Blair-Lee House during the first part of his stay in Washington as a guest of the Department and has been offered office and library facilities by the Office of Education.

## Welfare of American Citizens In Bulgaria

[Released to the press December 13]

According to a report received by the Department of State from Maynard Barnes, United States Representative at Sofia, the few American nationals who remained in Bulgaria upon the German occupation of that country are apparently unharmed and in good health.

## Death of Herbert Delafield

### STATEMENT BY THE SECRETARY OF STATE

[Released to the press December 12]

I have learned with deep regret of the death today of Herbert Delafield, secretary-manager of the Inter-American Coffee Board. Although Mr. Delafield was not officially an employee of the Department, his work at the Board and the close working relationship he maintained with the coffee industry in this country and in the coffee-producing countries have contributed immeasurably to the successful operation of the Inter-American Coffee Agreement, of which this Government and the governments of the 14 coffee-producing American republics are signatories.

## TREATY INFORMATION

### Naval-Mission Agreement With Venezuela

By an exchange of notes of November 20 and December 9, 1944 between the Governments of the United States and Venezuela, the agreement providing for the assignment of a United States Naval Mission to Venezuela, signed at Washington on March 24, 1941,<sup>1</sup> has been extended for a period of two years. The renewal is effective from March 24, 1945.

<sup>1</sup> Executive Agreement Series 203.

## THE FOREIGN SERVICE

### Confirmations

On December 14, 1944 the Senate confirmed the nomination of Norman Armour as American Ambassador to Spain.

On December 15, 1944 the Senate confirmed the nomination of Hallett Johnson as American Ambassador to Costa Rica.

## THE DEPARTMENT

### Appointment of Officers

William D. Wright as Special Assistant to the Director of the Office of Departmental Administration, effective December 1, 1944.

Emile Despres as Adviser on German Economic Affairs in the Office of Economic Affairs and the Office of Wartime Economic Affairs, effective October 31, 1944. He will continue to serve as Adviser on European Finance, Division of Financial and Monetary Affairs.

### Functions Delegated to Assistant Secretary Acheson<sup>1</sup>

*Purpose.* To delegate to the Assistant Secretary, Mr. Dean Acheson, the functions and authority heretofore exercised by the Assistant Secretary, Mr. Shaw, and the Assistant Secretary, Mr. Berle, as well as to confirm Mr. Acheson's continued exercise of the functions and authority which he has heretofore exercised in the field of economic affairs.

1 *Delegation of authority.* Mr. Dean Acheson, until otherwise directed, shall possess the authority and perform the duties and functions heretofore vested, by departmental order or otherwise, in Mr. Shaw, Mr. Berle, and in Mr. Acheson himself, including all fiscal and certifying authority formerly vested in these officers.

2 *Previous orders.* All orders and instructions inconsistent herewith are hereby revoked.

E. R. STETTINIUS, JR.

<sup>1</sup> Departmental Order 1300, issued Dec. 13, 1944; effective Dec. 4, 1944.

## PUBLICATIONS

### DEPARTMENT OF STATE

The Proclaimed List of Certain Blocked Nationals: Cumulative Supplement No. 4, December 15, 1944, to Revision VIII of September 13, 1944. 56 pp. Free.

### OTHER GOVERNMENT AGENCIES

The Jewish National Home in Palestine: Supplemental Statements to Hearings Submitted to the Committee on Foreign Affairs, House of Representatives, 78th Cong., 2d sess., on H. Res. 418 and H. Res. 419, Resolutions Relative to the Jewish National Home in Palestine. iii, 129 pp., vii.

First Quarterly Report on UNRRA Expenditures and Operations: Message from the President of the United States transmitting the first Quarterly Report on USNRRRA Expenditures and Operations in accordance with the act of March 28, 1944, authorizing United States Participation in the Work of the United Nations Relief and Rehabilitation Administration. H. Doc. 803, 78th Cong. 44 pp.

The articles listed below will be found in the December 16 issue of the Department of Commerce publication entitled *Foreign Commerce Weekly*, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 16 cents each:

"Australia: The Dramatic Course of Its Wartime Economy", Part II, by Wilson C. Flake, consul, American Consulate General, Sydney, New South Wales.

"Electronics in Argentina", based on a report from David M. Clark, second secretary, American Embassy, Buenos Aires.

"Ecuador's Market for Medicinals", based on a report by John T. Reid, special assistant, American Embassy, Quito.

## LEGISLATION

An Act To authorize the appointment of two additional Assistant Secretaries of State. H. R. 4311. Approved December 8, 1944. Public Law 472, 78th Cong. 1 p.

Foreign Service of the United States. H. Rept. 2028, 78th Cong., on H. R. 5474. 12 pp. [Favorable report.]

Relief of Certain Officers and Employees of the Foreign Service of the United States. H. Rept. 2040, 78th Cong., on H. R. 4988. 23 pp. [Favorable report.]

Extending the Ending Date of the Philippine Insurrection: Hearing Before the Committee on Pensions, United States Senate, 78th Cong., 2d sess., on H. R. 4069, an act to extend the period of the Philippine Insurrection so as to include active service with the United States Military or Naval Forces engaged in hostilities in the Moro Province, including Mindanao, or in the Islands of Samar and Leyte, between July 5, 1902, and December 31, 1913; November 16, 1944. iii, 21 pp.

Extend Date of Philippine Insurrection: Message From

the President of the United States returning, without his approval, the bill (H. R. 4099) to extend the period of the Philippine Insurrection so as to include active service with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the Islands of Samar and Leyte, between July 5, 1902, and December 31, 1913, H. Doc. 894, 78th Cong. 2 pp.

Post-War Economic Policy and Planning; Fifth Report of the House Special Committee on Post-War Economic

Policy and Planning, pursuant to H. Res. 408, a resolution creating a special committee on post-war economic policy and planning. Summary of activities of the special committee. H. Rept. 2071, 78th Cong. ii, 6 pp.

Granting permission for certain employees of the Civil Aeronautics Administration to accept British Empire Medals tendered by the Government of Canada in the name of His Britannic Majesty, King George VI. S. Rept. 1380, 78th Cong., on S. J. Res. 106. 2 pp. [Favorable report.]

7353, 7430

# THE DEPARTMENT OF STATE BULLETIN

VOL. XI, NO. 286A

DECEMBER 17, 1944. Supplement

*In this issue*

## ORGANIZATION OF THE DEPARTMENT OF STATE

*Announcement of Reorganization*

*Departmental Order 1301 of December 20, 1944*

*Departmental Designation 106 of December 20, 1944*



BULLETIN



*December 17, 1944, Supplement*

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Research and Publication, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.*

*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

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# Organization of the Department of State

## Announcement of Reorganization

[Released to the press December 20]

The basic reorganization of the Department of State was begun on January 15, 1944. The changes outlined in the departmental order at that time have been put into operation during the past year. They have resulted in a definite strengthening of the Department's organization and a corresponding increase in its efficiency. With the appointment of a new Under Secretary of State and five new Assistant Secretaries, certain additional structural changes have been made in the Department's alignment with a view to increasing its effectiveness in the conduct of our foreign policy.

There is established a Secretary's Staff Committee, under the chairmanship of the Secretary of State. It will consist of the Under Secretary of State, the Assistant Secretaries of State, the Legal Adviser, and the Special Assistant to the Secretary for international organization and security affairs. It will assist the Secretary of State in the consideration of matters before the Department.

There will also be a Coordinating Committee, under the chairmanship of the Under Secretary of State, to assume responsibility for developing recommendations on current and long-range problems. This Committee, composed of the 12 Office Directors and the Special Assistant in charge of press relations, in making its recommendations will assemble and represent all views within the Department of State.

A joint secretariat will be created to serve both Committees.

The creation by the Congress of two additional posts of Assistant Secretary of State has made it possible to group the geographic offices under Assistant Secretaries. Mr. James C. Dunn, Assistant Secretary of State, will have supervision over the Office of European Affairs, the Office of Far Eastern Affairs, and the Office of Near Eastern and African Affairs. Mr. H. Freeman Matthews will be the new Director of the Office of European Affairs. Mr. John D. Hickerson will be Deputy Director. Mr. Joseph W. Ballantine will be the Director of the Office of Far Eastern Affairs. Mr.

Wallace S. Murray will continue as Director of the Office of Near Eastern and African Affairs.

Mr. Nelson A. Rockefeller, Assistant Secretary of State, will have supervision over American republics affairs. Mr. Avra M. Warren will be the Director of the Office of American Republic Affairs, succeeding Mr. Norman Armour, who has been named Ambassador to Spain.

Mr. William L. Clayton, Assistant Secretary of State for Economic Affairs, will have supervision over the Office of Economic Affairs, the Office of Wartime Economic Affairs, and the Office of Transportation and Communications. Mr. John Orchard will be Special Assistant to Mr. Clayton.

The appointment of Mr. Archibald MacLeish as Assistant Secretary of State in charge of public and cultural relations continues further the steps taken during the year to develop a program designed to provide American citizens with more information concerning their country's foreign policy and to promote closer understanding with the peoples of foreign countries.

Assistant Secretary of State Dean Acheson will now assume extremely important functions pertaining to congressional relations and international conferences.

Julius C. Holmes will be Assistant Secretary of State in charge of administration and management of the Department of State and the Foreign Service.

Mr. Green H. Hackworth will continue as the Legal Adviser to the Department in charge of its legal affairs.

Prior to the reorganization of January 15, 1944, the work of preparing for the peace and establishment of an international security organization was organized on a study basis. After the reorganization of January 15, these functions were grouped under one of the 12 offices. During the first half of this year, the activities of the divisions concerned with post-war planning were, of course, devoted to preparation for the Dumbarton Oaks Conversations. They will continue the work of preparing for a United Nations Conference to establish an International Security Organization.

Mr. Leo Pasvolsky will continue as Special Assistant to the Secretary of State in charge of this work.

Mr. Michael J. McDermott will continue as Special Assistant to the Secretary of State and press officer of the Department.

Mr. George T. Summerlin will continue as Special Assistant to the Secretary of State in charge of protocol.

Mr. Robert J. Lynch is appointed Special Assistant to the Secretary of State.

Mr. G. Hayden Raynor is appointed Special Assistant to the Secretary of State.

Mr. Charles E. Bohlen will be Assistant to the Secretary of State and liaison officer with the White House.

Mr. Wilder Foote is appointed Assistant to the Secretary of State.

Dr. Isaiah Bowman will be Special Adviser to the Secretary of State and will be available for consultation with the Secretary on foreign-policy matters.

Mr. Henry P. Fletcher will also be Special Adviser to the Secretary of State and will be available for consultation with the Secretary on foreign-policy matters.

## Departmental Order 1301 of December 20, 1944<sup>1</sup>

### ORGANIZATION OF THE DEPARTMENT OF STATE

*Purpose.* The purpose of this order is to increase the effectiveness of the Department of State and the Foreign Service of the United States as instruments of the American people in the formulation of United States foreign policy and the conduct of United States foreign relations. To this end, adjustments are made in (1) the assignment of responsibilities among the principal officers of the Department and (2) the organization of the Department.

The changes effected by the present order are in line with, and a continuation of, the reorganization of the Department in Departmental Order 1218 of January 15, 1944.

#### I The Under Secretary

The Under Secretary serves as the Secretary's deputy in all matters and, in the absence of the Secretary, as Acting Secretary of State.

#### II Assistant Secretaries of State

The responsibilities of the Assistant Secretaries of State and officers of equivalent rank shall be as follows:

1 *Assistant Secretary of State for European, Far Eastern, Near Eastern, and African Affairs.*

He shall have jurisdiction over the Office of European Affairs, the Office of Far Eastern Affairs, and the Office of Near Eastern and African Affairs.

2 *Assistant Secretary of State for Congressional Relations and International Conferences.* He shall have responsibility for liaison with the Congress on all matters concerning the Department, with the exception of matters of a fiscal or other administrative character. He shall be Chairman of a standing Committee on International Conferences of the Secretary's Staff Committee, and shall serve as the deputy of the Secretary of State with appropriate staff, to secure coordinated conduct of international conferences and the unified and effective representation of the interests of the United States Government at international conferences.

3 *Assistant Secretary of State for Economic Affairs.* He shall be chairman of the Executive Committee on Economic Foreign Policy. He shall have jurisdiction over the Office of Economic Affairs, the Office of Wartime Economic Affairs, and the Office of Transportation and Communications.

4 *Assistant Secretary of State for American Republic Affairs.* He shall have jurisdiction over the Office of American Republic Affairs.

5 *Assistant Secretary for Public and Cultural Relations.* He shall be Chairman of the interdepartmental Committee on Cultural and Scientific Cooperation and he shall have jurisdiction over the Office of Public Affairs. He shall be respon-

<sup>1</sup> Effective Dec. 20, 1944.

sible for the public information policy of the Department and shall supervise the Department's relations with other Government agencies on all matters involving public information policy. He shall be chairman of a Committee on Information Policy which shall include the Special Assistant to the Secretary for Press Relations, the Assistant to the Secretary for drafting, the Director of the Office of Public Affairs, the Chief of the International Information Division, the Chief of the Public Liaison Division, and the Chairman of the Information Service Committee.

6 *Assistant Secretary for Administration.* He shall have jurisdiction over the Office of the Foreign Service, the Office of Departmental Administration, and the Office of Controls, and responsibility for liaison with the Congress on all matters of a fiscal or other administrative character.

7 *The Legal Adviser,* in charge of Legal Affairs.

8 *Special Assistant to the Secretary for International Organization and Security Affairs.* He shall have jurisdiction over the Office of Special Political Affairs.

### III Special Assistants and Assistants

There shall be the following Special Assistants and Assistants to the Secretary of State:

1 Special Assistant to the Secretary for International Organization and Security Affairs.

2 Special Assistant to the Secretary for Press Relations. He shall represent the Secretary in the Department's relations with the press.

3 Special Assistant to the Secretary and Chief of Protocol.

4 Special Assistant to the Secretary on matters of a broad management nature requiring the Secretary's personal attention.

5 Special Assistant to the Secretary on substantive matters requiring the Secretary's personal attention.

6 Assistant to the Secretary for White House liaison, who shall coordinate for the Department and the Foreign Service and facilitate through proper channels all contacts with the White House.

7 Assistant to the Secretary for drafting.

8 Assistant to the Secretary on matters of general policy.

9 Assistant to the Secretary for the review and coordination of all correspondence prepared for signature of the Secretary and Under Secretary.

### IV Executive Committee

The Policy Committee and the Committee on Post-War Programs are reorganized as follows:

1 *Secretary's Staff Committee.* There shall be a Secretary's Staff Committee which shall advise and otherwise assist the Secretary in determining current and long-range foreign policy. It shall be available for instant consultation with the Secretary on the full range of activities and interests of the Department. When appropriate and useful in securing an integrated expression of Departmental viewpoints, matters on the agenda of the Secretary's Staff Committee shall receive previous consideration in the Coordinating Committee.

(a) *Membership.* The members of the Secretary's Staff Committee shall be:

The Secretary, Chairman

The Under Secretary, Vice Chairman

The Assistant Secretaries

The Legal Adviser

The Special Assistant to the Secretary for International Organization and Security Affairs

(b) *Other Attendance.* Participation in the meetings of the Secretary's Staff Committee shall be confined to its stated members, except that, upon approval by the Chairman, Office Directors and other officers may be invited to attend when matters of direct concern to them are scheduled for consideration.

(c) *Meetings.* The Secretary's Staff Committee shall meet as often as the Chairman may direct.

2 *Coordinating Committee.* There shall also be a Coordinating Committee, which shall consider matters of policy or action and questions of inter-Office relations, referred to it by the Secretary, the Under Secretary, or the Secretary's Staff Committee, or initiated by one of the members.

(a) *Membership.* The members of the Coordinating Committee shall be:

The Under Secretary, Chairman

The Directors of Offices

The Special Assistant for Press Relations

(b) *Other Attendance.* Participation in the meetings of the Coordinating Committee shall be confined to its stated members, except that, upon approval by the Chairman, Division Chiefs and other officers may be invited to attend when mat-

ters of direct concern to them are scheduled for consideration.

(c) *Meetings.* The Coordinating Committee shall meet as often as the Chairman may direct. The Coordinating Committee may meet jointly with the Secretary's Staff Committee at the request of the Secretary.

3 *Committee on International Conferences.* There is hereby created a standing subcommittee of the Secretary's Staff Committee which shall be known as the Committee on International Conferences. This Committee shall evaluate all proposals for holding international conferences, and formulate recommendations on the scheduling, organizing, and conduct of international conferences for consideration by the Secretary's Staff Committee.

(a) *Membership.* The members of the Committee on International Conferences shall be:

The Assistant Secretary for Congressional Relations and International Conferences, Chairman

The Special Assistant to the Secretary for International Organization and Security Affairs

An Assistant Secretary, to be designated by the Secretary

4 *Joint Secretariat of the two Committees.*

(a) The Secretary's Staff Committee and the Coordinating Committee shall be served by a single Secretariat under the direction of an Executive Secretary, or Executive Secretaries. It shall be the general duty of the Secretariat to see that problems of policy arising in the Department are brought to the appropriate committee or committees for consideration, with proper preparation and documentation, and that the recommended actions are duly followed with the officers concerned. To these ends, the Secretariat shall prepare agenda, keep minutes, and perform such other duties as effective functioning of the Committees may require. The Secretariat shall call upon Offices and divisions of the Department to develop recommendations on policy, with supporting documents, for consideration by the Committees. The Secretariat shall review prepared documents and work with the staff of the Offices and divisions to insure adequate analysis and documentation.

(b) The Secretariat shall also be responsible for coordinating the work of all committee secretariats

in the Department, including the secretariats of interdepartmental committees, to insure integration of the Department's policy function.

## V Liaison Assignments

1 *Importance of liaison responsibilities.* The Department's leadership in foreign affairs requires coordination of all foreign policy and relations, including programs in which many other Government agencies participate. Therefore liaison between the Department and other agencies is of the greatest importance. Since such liaison is closely associated with fundamental policy decisions, and since the members of the Secretary's Staff Committee reflect the Department's view of interdepartmental relations within their several fields, proposed designations of officers to major liaison responsibilities with other Government agencies shall be made by the Secretary on advice by the Secretary's Staff Committee.

2 *Designation of liaison officers.* (a) The Secretariat of the Secretary's Staff Committee shall include proposed liaison designations on the committee's agenda. For the information of the Committee the Office of Departmental Administration shall prepare a statement of the organizational and functional relationships involved in each proposed designation as it affects the various Offices of the Department.

(b) The official designations shall be issued in the series of Departmental Designations. The head of the agency or chairman of the interdepartmental committee concerned shall be notified of the Department's official selection by letter from the Secretary.

(c) Liaison officers and official representatives on interdepartmental committees and boards shall draw upon the knowledge and advice of all interested officers in the Department in order that a unified Departmental viewpoint shall prevail. They shall keep all the officers and divisions concerned informed of the developments in their respective interdepartmental contacts.

3 *Working liaisons.* The foregoing requirements as to formal liaison and membership in important interdepartmental bodies do not preclude the day-to-day responsibilities of the several divisions for informal working relationships with other government agencies, including arranging

for Department membership on interdepartmental working committees and similar bodies. These contacts shall be conducted at the appropriate levels of authority within the Department. Any differences of viewpoint as to appropriate location of responsibility shall be taken up with the Director of the Office of Departmental Administration.

## VI Geographic Offices

*A Role of the geographic Offices.* The geographic Offices shall be responsible for the formulation of over-all United States policy toward the countries within their jurisdiction and for the coordination, as to these countries, of the programs and activities of other Offices and divisions of the Department, and of other Federal agencies, with over-all United States foreign policy.

*B Functions of the geographic Offices.* In fulfilling their responsibilities the geographic Offices shall perform the following functions for the countries within their respective jurisdictions.

1 Develop basic country and area policies to guide the conduct of United States relations with such countries;

2 Draw into consultation, in the formulation of policy, all appropriate functional Offices and divisions of the Department and all appropriate agencies of the United States Government;

3 Guide the conduct of day-to-day relationships with the other countries, taking the initiative in affairs primarily political, and in other affairs stimulating the initiative of functional divisions in the Department and of other agencies charged with primary responsibility in specialized fields;

4 Coordinate United States programs and activities in the other countries with over-all United States foreign policy;

5 Keep other Offices and divisions of the Department and other departments and agencies of the Government adequately informed concerning emerging problems, policy decisions, and action with respect to the other countries;

6 Provide all parts of the Department, and all appropriate agencies of the Government, with all suitable available information to guide them in the conduct of activities which depend upon, or impinge upon, United States policy toward the other countries;

7 Provide the Office of Public Affairs with all information necessary to keep the American public

informed on United States policy toward the other countries;

8 Direct the work of United States Foreign Service establishments;

9 Take the leadership, collaborating with the Office of the Foreign Service, interested Offices and divisions of the Department, and other Government agencies and departments, in advising on the type and number of personnel required in the Foreign Service establishments;

10 Cooperate with the Information Service Committee in keeping the Foreign Service establishments fully informed of significant trends in United States policy throughout the world, as well as in the countries where they are located;

11 Develop current and standing instructions on necessary political information from the field, and serve as the center of substantive coordination for instructions as to other types of information required by functional divisions of the Department and other Government agencies, to assure that such instructions do not duplicate or unnecessarily overlap one another.

## VII Office of European Affairs

The Office of European Affairs shall have responsibility, under the general direction of the Assistant Secretary for European, Far Eastern, Near Eastern, and African Affairs, for the formulation and the coordination of policy and action in regard to all aspects of relations with the countries within the jurisdiction of its component divisions. In carrying out its responsibilities the Office shall be guided by the general statement of functions of the geographic Offices contained herein.

*A* All other Offices and divisions in the Department shall provide for full participation by the Office of European Affairs and its component divisions in the formulation and execution of policy affecting relations with the countries under the jurisdiction of that Office.

*B* The Office of European Affairs shall be composed of the following divisions, which shall have primary responsibility for carrying out the functions of the Office in relations with the countries indicated.

1 *Division of British Commonwealth Affairs.* British Commonwealth of Nations; and British territories (jointly with the interested geographic Offices and divisions of the Department), except

India, Burma, Ceylon, and possessions in Africa.

2 *Division of Eastern European Affairs.* Union of Soviet Socialist Republics (jointly with the interested geographic Offices and divisions in matters relating to the Soviet Far East), Poland, and other areas of Eastern Europe.

3 *Division of Central European Affairs.* Germany, Austria, Czechoslovakia.

4 *Division of Southern European Affairs.* Albania, Bulgaria, Hungary, Italy, Rumania, San Marino, Yugoslavia. The Division shall also have responsibility for matters relating to the Vatican.

5 *Division of Northern European Affairs.* Denmark, Finland, Iceland, Netherlands, Norway, Sweden; and territories of these countries (jointly with the interested geographic Offices and divisions of the Department).

6 *Division of Western European Affairs.* Andorra, Belgium, France, Liechtenstein, Luxembourg, Monaco, Portugal, Spain, Switzerland; and territories of these countries (jointly with the interested geographic Offices and divisions of the Department), except possessions in Africa.

### VIII Office of Far Eastern Affairs

The Office of Far Eastern Affairs shall have responsibility, under the general direction of the Assistant Secretary for European, Far Eastern, Near Eastern, and African Affairs, for the formulation and coordination of policy and action in regard to all aspects of relations with the following countries: China, Japan, and Thailand, and (in conjunction with the other interested geographic Offices and divisions) the possessions and territories of Occidental countries in the Far East and in the Pacific area. The Office shall also have charge of such matters as concern the Department in relation to American-controlled islands in the Pacific and, in particular, of such matters as concern the Department in relation to the Philippine Islands. In carrying out its responsibilities, the Office shall be guided by the general statement of functions of geographic Offices contained herein.

A All other Offices and divisions in the Department shall provide for full participation by the Office of Far Eastern Affairs and its component divisions in the formulation and execution of policy affecting relations with the countries under the jurisdiction of that office.

B The Office of Far Eastern Affairs shall be composed of the following divisions, which shall have primary responsibility for carrying out the functions of the Office in regard to relations with the countries indicated.

1 *Division of Chinese Affairs.* China and adjacent territories.

2 *Division of Japanese Affairs.* Japanese Empire.

3 *Division of Southwest Pacific Affairs.* Thailand; and (jointly with other interested geographic Offices and divisions) Burma, Indo-China, Malaya, British North Borneo, Netherlands East Indies, Portuguese Timor, and British and French island possessions in the Pacific.

4 *Division of Philippine Affairs.* Philippine Islands and other American-controlled islands of the Pacific.

### IX Office of Near Eastern and African Affairs

The Office of Near Eastern and African Affairs shall have responsibility, under the general direction of the Assistant Secretary for European, Far Eastern, Near Eastern, and African Affairs, for the formulation and coordination of policy and action in regard to all aspects of relations with the countries and areas within the jurisdiction of its component divisions. In carrying out its responsibilities, the Office shall be guided by the statement of duties of geographic Offices contained herein.

A All other Offices and divisions in the Department shall provide for full participation by the Office of Near Eastern and African Affairs and its component divisions, as hereinafter provided, in the formulation and execution of policy affecting relations with the countries under the jurisdiction of that Office.

B The Office of Near Eastern and African Affairs shall be composed of the following divisions, which shall have primary responsibility for carrying out the duties of the Office in regard to relations with the countries indicated.

1 *Division of Near Eastern Affairs:* Egypt, Greece, Iraq, Lebanon, Palestine and Trans-Jordan, Saudi Arabia and other countries of the Arabian Peninsula, Syria, and Turkey.

2 *Division of Middle Eastern Affairs:* Afghanistan, Iran, India, Ceylon, and Burma (the last jointly with the Division of Southwest Pacific Affairs).

3 *Division of African Affairs*: Ethiopia, Liberia, and all parts of Africa (including the colonies, protectorates and mandated territories), except the Union of South Africa and Algeria.

## X Office of American Republic Affairs

The Office of American Republic Affairs shall have responsibility, under the general direction of the Assistant Secretary for American Republic Affairs, for the initiation and the coordination of policy and action in regard to all aspects of relations with the countries under the jurisdiction of its component divisions. In carrying out its responsibilities, the Office shall be guided by the statement of functions of geographic Offices contained herein.

A All other Offices and divisions in the Department shall provide for full participation by the Office of American Republic Affairs and its component divisions, as hereinafter provided, in the formulation and execution of policy affecting relations with the countries under the jurisdiction of that Office.

B The Office of American Republic Affairs shall be composed of the following divisions, which shall have primary responsibility for the functions of the Office in regard to relations with the countries indicated in each case.

1 *Division of Mexican Affairs*. Mexico.

2 *Division of Caribbean and Central American Affairs*. Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, and Panama, and, in collaboration with the appropriate divisions in the Office of European Affairs, relations with European possessions in the area, the Guianas, and British Honduras.

3 *Division of Brazilian Affairs*. Brazil.

4 *Division of River Plate Affairs*. Argentina, Paraguay, and Uruguay.

5 *Division of North and West Coast Affairs*. Bolivia, Chile, Colombia, Ecuador, Peru, and Venezuela.

6 *Division of American Republics Analysis and Liaison*. The Division of American Republics Analysis and Liaison shall be responsible for the following functions:

(a) Analysis, including:

(1) Collection and analysis of data from all sources, including regular despatches from

the field and Departmental memoranda, reports of other Federal agencies, and published documents bearing on the work of the Office;

- (2) Conduct of special studies on current conditions, trends, and questions on policy of interest to the divisions of the Office;
- (3) The assembling and digesting of research materials on policy and background developments of interest to the Office, the missions, and selected officers of the Department;
- (4) Cooperation with other divisions of the Department and other Government agencies engaged in research on Latin American problems, on research relating to the other American Republics;
- (5) Maintenance of an information service regarding the other American Republics, for all officers of the Department and other Federal agencies;
- (6) Research for the Director and Deputy Director of the Office and the chiefs of division on current or special problems, selecting topics that warrant analysis, making recommendations on policy, and granting requests for information and research;
- (7) Cooperation with the Planning Staff of the Office of the Foreign Service in the development of standards for the improvement of reporting from Foreign Service establishments and for the evaluation of Foreign Service reports.
  - (b) Liaison, including:
    - (1) Maintenance of liaison with other offices of the Department concerned with general inter-American activities, on policy matters outside the scope of the geographic divisions;
    - (2) Advice to the Office of the Coordinator of Inter-American Affairs and other agencies of the Government carrying on programs in the other American republics on the relation of their programs to the policy of the Office of American Republic Affairs;
    - (3) Assistance to the Chief Informational Liaison Officer in carrying on the work of the Information Service Committee;

- (4) Advice to the Special Assistant for press relations on press matters;
- (5) Consultation with the Office of Public Affairs on its public information activities and its cultural-relations programs.
- (c) Inter-American Affairs, including:
  - (1) Formulation and recommendation of policy and action to be adopted by the Office of American Republic Affairs on Departmental problems of an inter-American character as distinguished from problems falling within the scope of the geographic divisions;
  - (2) In cooperation with the Division of International Organization Affairs, the handling for the Office of matters on policy relating to American participation in inter-American organizations, meetings, treaties, and agreements.
- (d) In performing its work the division will call upon the geographic divisions of the Office of American Republic Affairs for assistance in keeping apprised of current developments in and policy towards the several countries.

## XI Office of Special Political Affairs

The Office of Special Political Affairs shall have responsibility, under the general direction of the Special Assistant to the Secretary in charge of international organization and security affairs, for the formulation and coordination of policy and action relating to such affairs, with special emphasis on the maintenance of international peace and security through organized action.

A The Division of International Security and Organization, established by Departmental Order 1218 of January 15, 1944, is hereby abolished, and its functions, personnel, records, and equipment shall be transferred to the several divisions of the Office of Special Political Affairs as determined by the Director of the Office in consultation with the appropriate divisions of the Office of Departmental Administration.

B The Office shall consist of the Division of International Organization Affairs, the Division of International Security Affairs, the Division of Dependent Area Affairs, and the Division of Territorial Studies.

### 1 *Division of International Organization Affairs.*

(a) The Division of International Organization Affairs shall be responsible for the formulation and coordination of policy and action in all matters regarding:

- (1) The establishment of the proposed United Nations Organization and relations with that Organization.
- (2) All matters regarding the relations between the proposed United Nations Organization and specialized or regional agencies and organizations, already in existence or hereafter established, and the coordination of their policies and activities through the Organization.
  - (i) In such matters, the division shall collaborate with the appropriate geographic and functional divisions, on the functions, powers, and structure of specialized or regional agencies and organizations.
  - (ii) Where no functional division exercises primary substantive policy jurisdiction with respect to any specialized international agency, the division shall itself assume such substantive policy functions.
- (3) Within the scope of its jurisdiction, liaison with international agencies and organizations and with other Federal departments and agencies.

(b) The functions and responsibilities with respect to international organizations and agencies, formerly vested in the Division of International Conferences, are hereby transferred to the Division of International Organization Affairs.

### 2 *Division of International Security Affairs.*

(a) The Division of International Security Affairs shall have responsibility for the formulation and coordination of policy and action regarding all security phases of the proposed United Nations Organization, including the security aspects of relations between regional systems or arrangements and the Organization and, together with the Division of International Organization, relations with the Organization on security matters and relevant security aspects of United States foreign policy generally.

(b) In performing this function the Division shall collaborate with the geographic and functional divisions which deal with other aspects of security policy and shall advise and consult with them for the purpose of bringing about a correlation and coordination of policy on security matters.

(c) The Division shall maintain liaison, within the scope of its jurisdiction, with international organizations and agencies and with other Federal Departments and agencies.

*3 Division of Dependent Area Affairs.* The Division of Dependent Area Affairs shall have responsibility for the formulation and coordination of policy and action regarding:

(a) Activities of the proposed United Nations Organization affecting dependent areas and, together with the Division of International Organization, the conduct of relations with the Organization on such matters. In performing this function the Division shall collaborate with geographic and functional divisions charged with responsibility for other aspects of dependent area policy and relations and shall advise and consult with them for the purpose of bringing about a correlation and coordination of policy on dependent area matters.

(b) Within the scope of its jurisdiction, liaison with international agencies and organizations and with other Federal departments and agencies.

*4 Division of Territorial Studies.* The Division of Territorial Studies shall be responsible for:

(a) Analysis and appraisal of conditions and developments in foreign countries that bear upon United States foreign policy, including post-war settlements of interest to the United States;

(b) Collaboration with the various divisions of the Department, especially the geographic divisions, through background studies, trend analyses, and policy recommendations formulated jointly with such divisions in connection with their work.

## XII Office of Economic Affairs

The Office of Economic Affairs shall have responsibility, under the general direction of the Assistant Secretary for economic affairs, for the formulation and coordination of policy and action in all matters pertaining to international economic

affairs other than those of a wartime character assigned to the Office of Wartime Economic Affairs.

A The Office of the Director shall include the Secretariat of the Executive Committee on Economic Foreign Policy, which shall be responsible for servicing the Committee as set forth in Departmental Order 1280 of June 30, 1944.

B The Office of Economic Affairs shall also include the following divisions, with functions and responsibilities as indicated.

*1 Division of Commercial Policy.* The Division of Commercial Policy shall have responsibility for the formulation and coordination of policy and action in the following matters:

(a) The protection and promotion of American commercial and agricultural interests in foreign countries, under the provisions of the Reorganization Plan No. II authorized by the Reorganization Act of April 3, 1939 (53 Stat. 561);

(b) Tariff, general trade, and international commercial affairs of the United States;

(c) The formulation, negotiation, and administration of commercial treaties, of reciprocal trade agreements under the act of June 12, 1934, and of other commercial agreements;

(d) Commercial-policy aspects of Lend-Lease agreements and settlements;

(e) Liaison, within the scope of its responsibilities, with the Treasury Department, the Department of Commerce, the Department of Agriculture, the United States Tariff Commission, and such other Departments or agencies as may be concerned.

*2 Division of Financial and Monetary Affairs.*

(a) The Division of Financial and Monetary Affairs shall have responsibility, so far as the Department is concerned, for the formulation and coordination of policy and action in all matters pertaining to:

(1) General international financial and monetary policy;

(2) International financial and monetary agreements and arrangements;

(3) Public and private foreign loans and investments;

(4) Industrialization and development projects and programs, including requirements for long-range-development projects; but the Department shall be represented as to such requirements before the Foreign Economic Administration, the War Production Board,

and other Government agencies by the War Supply and Resources Division;

- (5) Matters relating to the reorganization of Axis firms;
- (6) Foreign policy aspects of Alien Property Custodian activities and of property-control measures of the other United Nations (other than those in Latin America);
- (7) Certification, under section 25 (b) of the Federal Reserve Act as amended (12 U.S.C. 632), of the authority of designated persons to dispose of various foreign properties deposited in this country;
- (8) Primary responsibility for performance of functions in regard to Lend-Lease matters, including the initiation of policy proposals and the negotiation of Lend-Lease agreements and settlements. This function shall be performed in cooperation with the appropriate geographic offices, as well as other Offices and divisions of the Department whose work involves Lend-Lease matters.

(b) The Division also has certain responsibilities regarding foreign-funds control established under Executive Order 8389 of April 10, 1940, as amended (3 CFR, Cum. Supp., p. 645).

- (1) It collaborates with the Division of World Trade Intelligence in the application of control measures to the property of governments or nationals of enemy, enemy-occupied, or liberated areas, formulating policies while the Division of World Trade Intelligence handles individual cases within the framework of these policies.
- (2) It has primary responsibility for cases involving control of imported securities and matters pertaining to the servicing of dollar bonds.

(c) It shall maintain liaison, within the scope of its responsibilities, with the Treasury Department, the Export-Import Bank, the Departments of Commerce, Justice, and Agriculture, the Foreign Economic Administration, the Alien Property Custodian, the Office of the Coordinator of Inter-American Affairs, and such other departments or agencies as may be concerned.

3 *Commodities Division.* The Commodities Division shall have responsibility for the formulation and coordination of policy and action in the following matters:

(a) Development of the foreign-policy aspects of production and control, and the distribution in international commerce of major commodities such as rubber, tin and the heavy metals, coffee, sugar, wheat, and cotton;

(b) International commodity arrangements, including analysis of arrangements of other countries as they affect the United States;

(c) International fisheries matters and agreements;

(d) Cartels and related industrial arrangements.

- (1) Collection and an analysis of basic data and information, and preparation of background and policy studies on international cartels, intercorporate relations of United States and foreign firms, patent and other market-regulating agreements, trade marks and trade names, intergovernmental industrial agreements, and related matters;
- (2) Development of policies and programs for controlling cartels, combines, restrictive patent agreements, and other restrictive international business arrangements;
- (3) Determination and promotion of standards for intergovernmental industrial agreements and forms of international organization required to implement such standards and general programs;
- (4) In collaboration with other divisions of the Department and with other interested Federal agencies such as the Department of Justice, the Department of Commerce, the Office of Strategic Services, and the Foreign Economic Administration, development of data, recommendations, and policies in preparation for international discussions and negotiations regarding international cartels;
- (5) Formulation of policy on international industrial arrangements relating to industry in enemy and ex-enemy countries during military occupation;
- (6) Review of documents on policy pertaining to foreign industrial arrangements submitted to the Department by other Federal agencies and interdepartmental committees;
- (7) Provision of a central source of current information for other Offices of the Department on cartels and related aspects of international industrial arrangements, including agreements allocating quotas or areas, price-

fixing arrangements, and patent and trademark agreements;

- (8) Provision of secretariat (handling agenda, relevant documents, and minutes), and participation in the work of interdivisional or interdepartmental committees concerned with problems of international industrial organization;
- (9) Review of legislative proposals and discussions on foreign contracts, patents, trade marks, cartels, et cetera; and
- (10) Advice to divisions of the Department and other Federal agencies on policy regarding current arrangements for supply involving industrial combines, cartels, and similar problems.

(e) The Division shall, within the scope of its responsibilities, maintain liaison with intergovernmental agencies concerned with international commodity problems, with the Department of Agriculture, with the Department of Justice on matters involving international cartels and industrial arrangements, and with such other departments and agencies as may be concerned.

4 *Petroleum Division.* The Petroleum Division shall have responsibility for the formulation and coordination of policy and action in all foreign policy matters pertaining to petroleum and petroleum products. Within those fields it shall be responsible for liaison with the intergovernmental agencies concerned with international problems in this field and with the Petroleum Administration for War, the Foreign Economic Administration, and other Departments and agencies which are concerned with petroleum and petroleum products.

5 *Division of International Labor, Social, and Health Affairs.* The Division of International Labor, Social, and Health Affairs is responsible for the formulation and coordination of policy and action by the Department regarding international labor, social, and health affairs, including:

(a) Analysis and recommendation on the effects of labor developments on the foreign policy of the United States, on the foreign policy of foreign countries, and on international relations;

(b) In collaboration with the Office of the Foreign Service, the selection, training, and direction of the economic analysts attached to United States Foreign Service establishments to report on labor and related matters;

(c) Analysis and interpretation of reports on labor and related matters received from labor reporting officers attached to United States Foreign Service establishments for use in the Department in the determination of policy;

(d) Study and advice regarding the effects of international economic policies and activities of the United States, of international organizations or agencies, and of foreign governments, on employment, wages, and standards of living in the United States;

(e) Analysis of policies regarding labor and of conditions of employment in this and other countries as they affect foreign policy or are affected thereby;

(f) Development of policies and recommendations regarding international measures to promote full employment and the raising of labor standards, and advice on economic measures related to these ends;

(g) Development of policies and recommendations regarding the foreign policy aspects of the migration and settlement of persons, including post-war aspects of wartime displacements;

(h) Maintenance of liaison with labor, social, and health organizations in the United States, both public and private, on labor, social, and health matters which affect or are affected by United States foreign policy;

(i) In collaboration with the Division of International Organization Affairs, development of policies, formulation of recommendations, and maintenance of liaison on labor, social, and health matters relating to the operations of international organizations in those fields;

(j) Study and advice on international labor and social movements as they affect the foreign policy of the United States;

(k) Coordination of the policy of the Department regarding importation of foreign labor into the United States;

(l) Analysis and formulation of the Department's policy regarding the international control of narcotics and the performance of the duties imposed by statute and treaty obligations in relation to international cooperation for the suppression of the abuse of narcotic drugs;

(m) In collaboration with other divisions of the Department and other agencies of the Government, development of policy regarding labor.

social, and health matters in liberated areas and in ex-enemy territories;

(n) Analysis and clearance for the Department of overseas programs of other Federal agencies relating to labor, social, and health affairs;

(o) Maintenance of liaison with the Department of Labor and with other Federal agencies concerned with labor, social, and health problems.

### XIII Office of Wartime Economic Affairs

The Office of Wartime Economic Affairs, in collaboration with the Office of Economic Affairs, shall have responsibility, under the general direction of the Assistant Secretary for economic affairs, for the formulation and coordination of policy and action, so far as the Department of State is concerned, in all matters pertaining to the wartime economic relations of the United States with other governments. The Office of Wartime Economic Affairs and its component divisions, within the scope of their functions, shall be the focal points of liaison and representation with the Foreign Economic Administration, the Treasury, War, and Navy Departments, the United Nations Relief and Rehabilitation Administration, and such other agencies as may be concerned. For this purpose there shall be full and free exchange of information and views between the Office of Wartime Economic Affairs and its component divisions, the Office of Economic Affairs, and appropriate geographic and other Offices and divisions of the Department.

A The Office of the Director shall include the Adviser on Refugees and Displaced Persons, who shall be responsible, so far as the Department of State is concerned, for the formulation and coordination of policy and action on refugees and displaced persons, as set forth in Departmental Order 1294 of October 13, 1944.

B The Office of Wartime Economic Affairs shall be composed of the following divisions, with functions and responsibilities as indicated.

1 *War Supply and Resources Division.* The War Supply and Resources Division shall be responsible, so far as the Department of State is concerned, for the formulation and coordination of policy and action in all matters pertaining to:

(a) Procurement and development abroad of materials needed for the prosecution of the war or the relief of war areas;

(b) War shipping matters;

(c) Within the scope of its responsibilities, representation of the Department before the Combined Boards and their committees and before the Foreign Economic Administration, the War Production Board, the War Shipping Administration, the War Food Administration, and other departments and agencies concerned, in connection with requirements programs (including those for long-range economic-development projects) and requests for allocations for commodities and shipping submitted by other divisions of the Department;

(d) Coordination of Departmental views on the economic policies to be followed in the application of wartime-trade controls by various governmental agencies and, in this connection, convening and acting with representatives of the divisions of the Department concerned;

(e) Interim coordination of matters concerning surplus war property;

(f) The administration, so far as the Department is concerned, of the statutes for the control of international traffic in arms, ammunition, and implements of war, and the discharge of related duties as set forth in Departmental Order 1293 of October 13, 1944;

(g) Within the scope of its responsibilities, liaison with such other departments and agencies as may be concerned;

2 *War Areas Economic Division.* The War Areas Economic Division shall be responsible, so far as the Department is concerned, for formulation and coordination of policy and action in wartime economic matters pertaining to war areas, and also to European neutral countries and their colonial possessions, France and the French Empire, Belgian Congo, Turkey, and the Middle East.

(a) The matters to be handled for these areas include:

(1) Preparation of requirements programs, programs for purchases, and related matters;

(2) In collaboration with the Division of Financial and Monetary Affairs, consideration of programs for reconstruction and rehabilitation of industrial and agricultural structures, including supply and economic development;

(3) Economic blockade of enemy and enemy-occupied territories;

(b) In dealing with the foregoing matters from an area standpoint, the Division shall:

- (1) Provide a focal point of contact within the Department as to the problems in the areas involved;
- (2) Within the scope of its responsibilities, maintain liaison with such other departments and agencies as may be concerned.

3 *Division of World Trade Intelligence.* The Division of World Trade Intelligence shall have responsibility, so far as the Department of State is concerned, for the formulation and coordination of policy and action in all matters pertaining to:

(a) The administration of the Proclaimed List of Certain Blocked Nationals, and related lists;

(b) The administration of the control of foreign funds, pursuant to Executive Order 8389 of April 10, 1940, as amended (3 CFR, Cum. Supp., p. 645), except with respect to the governments or nationals of enemy, enemy-occupied, or liberated areas, the servicing of dollar bonds, and the control of imported securities under General Ruling 5;

(c) The administration of the Trading with the Enemy Act, so far as it relates to the regulation of transactions in foreign exchange and foreign-owned property (except with respect to liberated areas), and the application of the recommendations of the Inter-American Conference on Systems of Economic and Financial Control, excepting matters relating to the replacement or reorganization of Axis firms;

(d) The collection, evaluation, and organization of biographic data;

(e) Within the scope of its responsibilities, liaison with the Treasury Department, the Foreign Economic Administration, the Office of the Coordinator of Inter-American Affairs, and such other departments and agencies as may be concerned.

#### XIV Office of Transportation and Communications

The Office of Transportation and Communications shall have responsibility, under the general direction of the Assistant Secretary for economic affairs, for the formulation and coordination of policy and action concerning the foreign policy

aspects of international transportation and communications. The Office of Transportation and Communications shall be composed of the following divisions, with functions and responsibilities as indicated.

1 *Aviation Division.* The Aviation Division shall have responsibility for formulation and coordination of policy and action in all matters pertaining to:

(a) International aviation, including the development and operation of airlines and air transportation, the acquisition of landing rights abroad, and matters relating to airports and airways;

(b) Discussions with foreign countries on matters relating to civil aviation and the drafting of agreements on this subject;

(c) Assembling of basic data and documents and other preparation for international aviation conferences;

(d) Representation of the Department on the International Technical Committee of Aerial Legal Experts, on the United States National Commission of the Permanent American Aeronautical Commission, and on other international bodies dealing with aeronautical affairs;

(e) Matters of policy relating to international airmail;

(f) Presentation to the Munitions Assignments Committee (Air) or other appropriate allocation authorities, of foreign requests for aircraft and collaboration with other Offices and divisions of the Department and with other departments and agencies of the Government concerned in the export of aircraft;

(g) Training of foreign aircraft and ground personnel in the United States and abroad, including collaboration with the Civil Aeronautics Board, the Civil Aeronautics Administration, and other departments and agencies of the Government and with foreign agencies engaged in similar activities;

(h) Obtaining of military- and civil-flight permits for United States aircraft proceeding abroad and, on request of diplomatic missions accredited to the United States, for foreign aircraft visiting the United States and its possessions;

(i) Representation on interdepartmental committees considering problems of aviation; and

(j) Other matters involving aviation, including liaison with the Department of Commerce, Civil Aeronautics Board, Civil Aeronautics Administra-

tion, the War and Navy Departments, and other departments and agencies of the Government.

2 *Shipping Division.* The Shipping Division shall have responsibility for the formulation and coordination of policy and action of the Department of State in matters concerning international shipping (except those functions relating to shipping space requirements and allocations vested in the War Supply and Resources Division, Office of Wartime Economic Affairs). This includes such activities as:

(a) Analysis and study of all international aspects of shipping and, in cooperation with other economic and geographic divisions, formulation of policy concerning the economic, commercial, and political aspects of international shipping;

(b) Observation and review of developments in the maritime services and laws of other countries, in order to identify and advise on their implications to the foreign policy of the United States;

(c) Analysis and recommendation with regard to foreign policy aspects of subsidies and other governmental assistance to shipping and with regard to discriminatory laws or practices against American shipping;

(d) Development and recommendation on foreign policy aspects involved in relationships between private and governmental shipping, with particular reference to problems of the transitional period of adjustment from war to post-war conditions;

(e) In cooperation with the geographic and other interested offices of the Department, conduct of negotiations between foreign governments and the Maritime Commission and War Shipping Administration with regard to disposal of tonnage, transfer of nationality, redistribution of ships to essential trade routes, and other shipping matters;

(f) Formulation and carrying through of policy recommendations on matters that involve the effect of ocean freight rates, marine insurance rates, and war risk insurance rates on foreign trade;

(g) Analysis of and recommendations regarding legislation and executive orders affecting international shipping, and international conventions, treaties, and agreements governing shipping and shipbuilding industries;

(h) Analysis of and recommendations on policy of the Department regarding revision of

navigation laws and their adjustment to current sea-going conditions;

(i) Interpretation of and liaison in all matters within the responsibility of the Division relative to international conventions concerning seamen;

(j) In cooperation with the Office of the Foreign Service and other interested divisions, and in collaboration with the Maritime Commission and other agencies, the drafting of instructions to Foreign Service establishments regarding reports on matters of economic and political significance in the maritime services and shipbuilding industries of other countries;

(k) Analysis of reports from the field for developments that are significant from a policy viewpoint, and furnishing of pertinent information to offices of the Department or other Government agencies on international shipping matters;

(l) Analysis of regulatory measures and standards that affect shipping and trade, in order to determine their relationship to foreign policy.

3 *Telecommunications Division.* The Telecommunications Division shall have responsibility for the formulation and coordination of policy and action in matters pertaining to:

(a) The international aspects of telegraph, telephone, cable, and postal communications;

(b) The international aspects of radio, with reference to technical as distinguished from informational phases;

(c) Motion pictures (other than the responsibilities assigned to the Office of Public Affairs);

(d) Liaison within the scope of its responsibilities with the Federal Communications Commission, War and Navy Departments, Office of Censorship, Post Office Department, and such other Departments and agencies as may be concerned.

## XV Office of Public Affairs

The Office of Public Affairs, under the general direction of the Assistant Secretary for public and cultural relations, shall be responsible for formulation and coordination of policy and action regarding informational and cultural aspects of foreign relations, including responsibility for the problems of freedom of information among peoples and for furthering the interchange of scientific and cultural knowledge with other coun-

tries. It shall coordinate the informational and cultural programs and activities of other Federal agencies with over-all United States foreign policy. The Office of Public Affairs shall be composed of the following divisions, with functions and responsibilities as indicated.

1 *Division of Public Liaison.* The Division of Public Liaison shall be responsible for:

(a) The Department's relations with private groups and organizations interested in the formulation of foreign policy;

(b) The collection and analysis of materials relating to public attitudes on foreign policy questions;

(c) Assistance to the officers of the Department in the public interpretation of foreign policy;

(d) The handling of correspondence expressing public views on foreign policy.

2 *Division of Cultural Cooperation.* The Division of Cultural Cooperation shall have responsibility for formulating policy and for initiating, coordinating and putting into effect programs of the Department of State, and programs undertaken through the collaboration of other departments and agencies of the Government, designed to encourage and strengthen cultural contact, interchange, and mutual understanding between the peoples of the United States and those of other nations. In fulfilling the foregoing objectives, the Division shall carry on such activities as:

(a) The planning and putting into effect, for the Department of State, of balanced programs of a reciprocal and cooperative nature, intended to achieve mutual understanding of the intellectual, technical, and other cultural developments of the United States and other nations, and evaluating the effectiveness of such programs;

(b) Appraisal of effect of cultural developments on the conduct of United States relations with foreign countries and on long-range, over-all United States foreign policy.

(c) In collaboration with the Office of the Foreign Service, the planning for adequate staffs in Foreign Service establishments to carry out effectively the cultural-relations programs of the Department;

(d) Guidance of United States Foreign Service establishments with respect to cultural-relations programs and activities, through cultural-relations attachés and other Foreign Service officers;

(e) Evaluation of the effectiveness of the work of cultural-relations attachés and of their reporting of cultural developments, including the significance of these developments to the foreign relations of the United States;

(f) The planning and execution of the Department's programs for cooperative exchanges of students, interns, and trainees in such fields as education, the professions, the arts, the sciences, technology, and the crafts;

(g) Cooperation with private and governmental agencies engaging in student and training programs and assistance in the development of standards of operations;

(h) The planning and execution of the Department's programs for interchange of leaders, experts, and teachers in such fields as the arts, the sciences, social welfare, technology, and public administration;

(i) The planning and execution of the Department's programs for the interchange of books, including books designed for exhibition, scientific and technological publications, music, art, and other materials, and scientific equipment;

(j) Maintenance of liaison with official, semi-official, or private educational, learned, technical, and professional organizations and institutions in the United States and in other countries, to promote the interchange of qualified personnel and published materials;

(k) Assistance in the establishment and effective maintenance of libraries and cultural centers as focal points for cultural interchange between the peoples of the United States and other nations;

(l) Assistance and advice to organizations engaged in maintaining American schools in other countries;

(m) Development of programs for cooperation with private organizations and other Governments in the reconstruction of essential educational and cultural facilities in war-devastated areas;

(n) In collaboration with other interested Offices and divisions, the formulation of Departmental policies as to: (1) international cultural and educational affairs and organizations; (2) the extent and scope of participation of the United States in international educational and cultural activities during the transitional and post-war periods; and (3) the bearing of international cultural activities upon the foreign policy of the United States.

3 *Interdepartmental Committee on Cultural and Scientific Cooperation.* The functions and personnel of the Secretariat of the Interdepartmental Committee on Cooperation with Other American Republics are hereby transferred to the Division of Cultural Cooperation. The name of the Committee is hereby changed to Interdepartmental Committee on Cultural and Scientific Cooperation, in line with its future scope.

4 *International Information Division.* The International Information Division shall have responsibility for the formulation and coordination of policy and programs related to the Department's participation in overseas dissemination of information through the media of films, radio, and publications. This includes the development and furtherance of international film, radio, and publications programs (other than books and specialized periodicals), advising on foreign policy aspects of the overseas information programs of other Federal agencies, particularly the war agencies, and advisory liaison with private organizations and industries on international information problems. The major functions of the Division are:

(a) Initiation and formulation of over-all policy of the Department regarding the role and scope of official overseas information programs and projects of the Government in the conduct of United States foreign relations;

(b) Initiation and development of the Department's program of overseas information services, by means of films, radio broadcasts, and publications and publications materials (other than books and specialized periodicals, which are handled by the Division of Cultural Cooperation);

(c) Advising and cooperating with officials of other Government agencies, particularly emergency agencies such as the Office of War Information and the Office of the Coordinator of Inter-American Affairs, in the planning and development of overseas information programs, and on the relationship of these programs and activities to United States foreign policy;

(d) In cooperation with appropriate geographic and other offices of the Department, development of the Department's overseas information policies, and issuance of instructions to United States Foreign Service officers regarding them;

(e) In collaboration with other agencies, preparation of operational and other instructions to

United States Foreign Service officers carrying on informational programs in countries where the Office of War Information and the Office of the Coordinator of Inter-American Affairs have no representation;

(f) Participation in development of policy recommendations regarding transitional and post-war overseas informational activities;

(g) Participation in interdepartmental and intergovernmental committees and international conferences concerned with the content and informational use of international informational media;

(h) Advisory liaison with commercial and other private organizations and interests within the field of the Division's responsibilities for foreign policy aspects of overseas informational activities;

(i) The official attestation of the international educational character of documentary films;

(j) Cooperation with the divisions concerned in planning and arranging for appropriate motion picture, radio, and related presentations at international conferences and meetings;

(k) Liaison with the office of the Special Assistant to the Secretary for press relations in relating the operations of the International Information Division to current press and psychological-warfare activities;

(l) Preparation and maintenance of instructions to the Foreign Service establishments for comprehensive and interpretive reporting on overseas information activities;

(m) Collaboration with the Office of the Foreign Service in evaluating and making recommendations regarding the staff needs in Foreign Service establishments to implement effectively the programs of the Division.

5 *Central Translating Division.* The Central Translating Division shall have responsibility for all the translating and interpreting work of the Department of State, including:

(a) Translation from English of certain publications of the Government for distribution to the other American Republics, and, in cooperation with other divisions, Offices of the Department, and the Interdepartmental Committee on Cultural and Scientific Cooperation, the formulation and administration of programs for the distribution of such translations;

(b) Translation from English of addresses, as required, such translations to serve as the ac-

cepted official translated version of those public utterances;

(c) Review of material published in Spanish and Portuguese by other Government departments and agencies, and review of Spanish, Portuguese, and French scripts of motion pictures and radio programs for distribution through official channels in the other American Republics;

(d) Translation of communications addressed to the President by heads of foreign States and other material referred by the White House, and of diplomatic notes and miscellaneous material;

(e) The critical examination of foreign texts of the draft treaties to which the United States is to be a party, with a view to the closest harmonizing thereof with the English text;

(f) Coordination of a translating service for all Federal agencies through the facilities of the Division, other Federal departments, or contracts with commercial services. (Transfer of functions and pertinent records from the former Division of Administrative Services).

6 *Division of Research and Publication.* The Division of Research and Publication shall have responsibility in matters pertaining to:

(a) Conduct of historical research studies in international relations, including studies of the Department's wartime policies and operations;

(b) Preparation for the Secretary of State, the Under Secretary, and other officers of the Department, of historical information pertaining to current problems;

(c) Compilation of the *United States Statutes at Large*, *Foreign Relations of the United States*, *Treaties and Other International Acts of the United States of America*, *Territorial Papers of the United States*, *Department of State Bulletin*, special volumes on foreign policy, and other publications;

(d) Collection, compilation and maintenance of information pertaining to treaties and other international agreements, the performance of research and the furnishing of information and advice, other than of a legal character, with respect to the provisions of such existing or proposed instruments; procedural matters, including the preparation of full powers, ratifications, proclamations, and protocols, and matters related to the signing, ratification, proclamation, and registration of treaties and other international agreements (except with respect to proclamations

of trade agreements, which shall be handled in the Division of Commercial Policy), and custody of the original texts of treaties and other international agreements;

(e) Maintenance of the Department's Library;

(f) The editing of publications of the Department; codification of regulatory documents; maintenance of the Department's mailing lists; custody and control of the distribution of the Department's publications and processed material; procurement for and allocation to various Government agencies of foreign publications received through American Foreign Service officers; and release of unpublished documents to private individuals;

(g) Administration of the printing and binding appropriation for the Department;

(h) The preparation of the certification of the Secretary of State to the adoption by the States of amendments to the Constitution and to the publication of such amendments as provided by R. S. 205 (5 U. S. C. 160);

(i) The receipt, preservation, and transmittal by the Secretary of State of certificates of ascertainment of electors of the President and Vice President furnished him by the executive of each State, and the receipt, obtention, preservation and disposition by the Secretary of State of the certificates of votes given by the electors for President and Vice President, as provided by the act of May 29, 1928, as amended (45 Stat. 946, 48 Stat. 879; 3 U. S. C. 7a, 11a, 11b, 11c);

(j) Liaison for the Department with the National Archives and the Government Printing Office and representation of the Department on the National Historical Publications Commission and on the National Archives Council.

7 *Division of Geography and Cartography.* The Division of Geography and Cartography is hereby transferred to the Office of Public Affairs. The Division shall have responsibility for:

(a) Collection, analysis, interpretation and presentation in the form of maps, charts, or reports, of geographic, geodetic or cartographic data on land and water areas throughout the world in connection with current and post-war considerations and negotiations concerning international or interregional relations;

(b) Development and maintenance of current directories of data on location, capacity, production and facilities; development of index maps of



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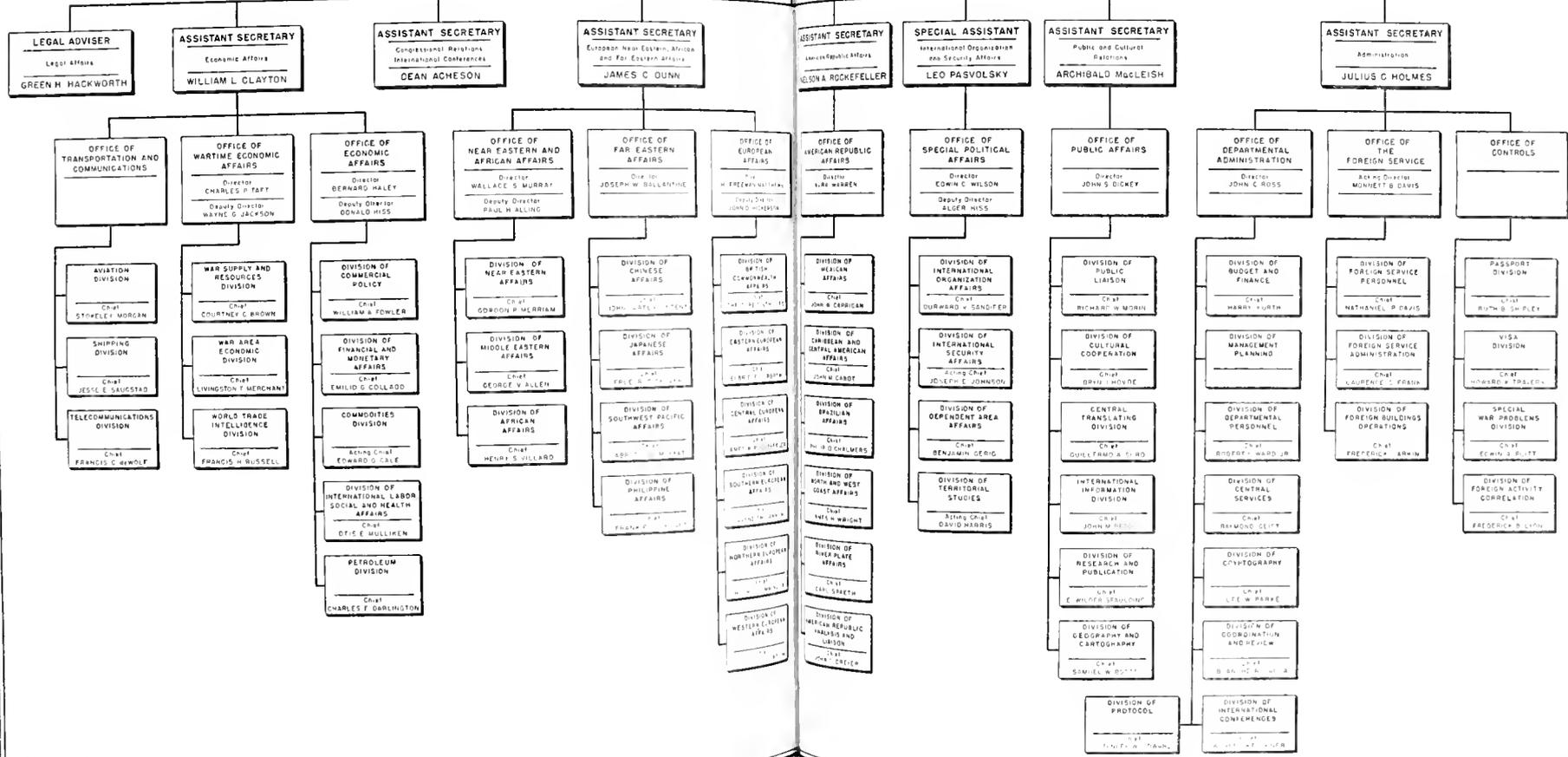
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resources, mines, industrial plants, and transportation and communications facilities in all parts of the world;

(c) Compilations of current statistics on population numbers, trends, composition and movement; compilations of industrial capacity, output and trade, mineral resources and production, agriculture, communications and transportation by major and minor political administrative units throughout the world; preparation of special studies of such data to meet the needs of the Department, and preparation of reports on geographic conditions which have a bearing on foreign relations of the United States;

(d) Maintenance of the Department's collection of maps, atlases and gazetteers;

(e) Representation for the Department in matters relating to mapping programs, the determination of geographical names, matters relating to cartography and geodesy, and other geographical problems which arise between the Department and other Government agencies, and between this Government and the governments of other nations;

(f) Preparation of statements regarding geographical aspects of problems pertaining to territorial claims, immigration quotas, and other international matters;

(g) Assistance to other divisions in planning and drafting graphic portrayals of data, including administrative statistics, progress of operational programs, supporting budgetary justifications, et cetera;

(h) Liaison with the United States Geological Survey, Coast and Geodetic Survey, Hydrographic Office, and other appropriate departments and agencies and with professional and other organizations in order to keep currently informed of developments in the fields of geography, geodesy and cartography.

## XVI Office of the Foreign Service

The organization of the Office of the Foreign Service is continued without change until the Assistant Secretary for administration takes office. As stated in Departmental Order 1218 of January 15, 1944, Departmental Order 1234 of March 1, 1944, Departmental Order 1273 of May 6, 1944, and Departmental Order 1292 of October 16, 1944, the functions and organization of the Office of the Foreign Service are as follows:

*A Board of Foreign Service Personnel, Board of Examiners for the Foreign Service, and Foreign Service Officers Training School Board.*

1 The duties of the Board of Foreign Service Personnel, under Executive Order 5642 of June 8, 1931, are: to submit to the Secretary of State for approval, lists of Foreign Service officers prepared in accordance with law by the Division of Foreign Service Personnel, in which they are graded in accordance with their relative efficiency in value to the Service; to recommend promotions in the Foreign Service and to furnish the Secretary of State with lists of Foreign Service officers who have demonstrated special capacity for promotion to the grade of minister; to submit to the Secretary of State, for approval and transmission to the President, the names of those officers and employees of the Department of State who are recommended for appointment by transfer to the position of Foreign Service officer; to submit to the Secretary of State the names of those Foreign Service officers who are recommended for designation as counselors of embassy or legation; to recommend the assignment of Foreign Service officers to posts and the transfer of such officers from one branch of the Service to the other; to consider controversies and delinquencies among the Service personnel and to recommend appropriate disciplinary action where required; to determine, after considering recommendations of the Division of Foreign Service Personnel, when the efficiency rating of an officer is unsatisfactory, in order that the Secretary of State may take appropriate action.

2 The duties of the Board of Examiners for the Foreign Service, under Executive Order 5642 of June 8, 1931, are to conduct the examinations of candidates for appointment to the Foreign Service.

3 The duties of the Foreign Service Officers Training School Board are to exercise direction over the Foreign Service Officers Training School.

*B Office of the Foreign Service.* The Office of the Foreign Service shall have responsibility under the general direction of the Assistant Secretary for administration for all aspects of the administration of the Foreign Service of the United States.

1 *Planning Staff.* The Planning Staff shall render staff assistance on programming and

planning, with a view toward continual adjustment and improvement in the over-all administration of the Foreign Service. This staff, under the immediate direction of a Deputy Director for planning, shall assist the Director in carrying out the following responsibilities of the Office of the Foreign Service:

(a) The review and evaluation of projects, programs, and surveys originating in the Department or in other departments and agencies, to be undertaken by the Foreign Service;

(b) The making of recommendations as to the number and character of Foreign Service personnel required for the execution of such projects, programs, and surveys;

(c) The making of recommendations for the maintenance of the efficiency of Foreign Service personnel responsible for implementing the programs originated by other departments and agencies;

(d) The making of recommendations, after consultation with other Offices and divisions of the Department, particularly the Office of Economic Affairs and the Office of Wartime Economic Affairs, for improving the services rendered by the Foreign Service to American agricultural, commercial, shipping, industrial, and other interests;

(e) The maintenance of working liaison with the Office of Departmental Administration to assure effective coordination of Foreign Service and Departmental administrative policies and practices;

(f) In collaboration with other Offices and divisions of the Department, particularly the Office of Public Affairs, and with other departments and agencies, the arranging of trade and other conferences and of itineraries of returning Foreign Service and auxiliary Foreign Service officers;

(g) The developing of standards for the improvement of reporting from Foreign Service establishments and for the evaluation of Foreign Service reports.

*2 Division of Foreign Service Personnel.* The Division of Foreign Service Personnel shall have responsibility in the following matters:

(a) Recruitment, appointment, and training of the classified, auxiliary, and clerical personnel of the Foreign Service of the United States;

(b) Maintenance of the required efficiency standards of the Service and custody of the confidential records of all personnel;

(c) Recommendation to the Board of Foreign Service Personnel of administrative action regarding assignments, transfers, promotions, demotions, disciplinary action, and separations from the Service, based upon conclusions drawn from an evaluation of efficiency reports, inspection reports, and official authentic information from chiefs of diplomatic missions and consular establishments, from competent officers of the Department, and from other informed sources;

(d) Preparation, under the supervision of the Chairman of the Board of Foreign Service Personnel, of biannual rating lists in which all Foreign Service officers are graded in accordance with their relative efficiency and value to the Service, and from which lists recommendations for promotions are made in the order of ascertained merit within classes;

(e) Consultation with chiefs of mission, principal consular officers, and heads of Offices and divisions of the Department in regard to the proper functioning of field offices;

(f) Reception of officers and clerks of the Foreign Service on home leave of absence and discussion with them of their work and problems;

(g) The giving of information with respect to entrance into the Foreign Service;

(h) Records of the Board of Examiners for the Foreign Service and matters connected with the holding of examinations.

*3 Division of Foreign Service Administration.*

(a) The Division of Foreign Service Administration shall have general responsibility for all matters concerning the administration of the Foreign Service of the United States, except such matters as are or may be assigned to other divisions in the Office of the Foreign Service or to the Division of Budget and Finance in the Office of Departmental Administration. Specifically, the Division of Foreign Service Administration shall have responsibility in the following matters:

(1) The drafting of regulations and the coordinating of instructions in regard thereto;

(2) Preparation and justification of budget estimates for the Foreign Service;

(3) Control of expenditures from the various appropriations for the Foreign Service;

- (4) Analysis of the cost of living at the various posts in connection with equitable distribution of allowances and clerical salaries;
  - (5) The granting of leaves of absence;
  - (6) Administration of the law governing the payment of annuities to retired Foreign Service officers and their widows;
  - (7) Establishment, operation, or closing of diplomatic and consular offices;
  - (8) Administration and maintenance of government property abroad, including supervision of contracts;
  - (9) The furnishing of equipment and supplies with maintenance of inventories;
  - (10) Operation of the diplomatic pouch service and supervision of diplomatic couriers;
  - (11) Supervision of the despatch agencies and of matters relating to the designation of military, naval, and other attachés abroad;
  - (12) Recommendation of legislation affecting the Foreign Service and keeping the Foreign Service informed concerning new statutes;
  - (13) Maintenance and revision of Foreign Service regulations;
  - (14) The handling of emergency wartime problems, such as the evacuation of staffs and dependents from dangerous areas;
  - (15) Selective Service;
  - (16) General administrative assistance to missions sent abroad by other departments and agencies;
  - (17) Claims made by Foreign Service personnel for personal losses caused by the war;
  - (18) Documentation of merchandise;
  - (19) Matters relating to the estates of American citizens dying abroad;
  - (20) Notarial services performed by consular officers;
  - (21) Reports of death of American citizens;
  - (22) Extradition cases handled in collaboration with the office of the Legal Adviser;
  - (23) Services for the Veterans' Administration.
- (b) The Division is also responsible for direction and administration of the work of the Department concerned with protection abroad of seamen and official services to ships by the Foreign Service of the United States, including such activities as:
- (1) Shipment, discharge, relief, repatriation and burial of seamen, and services to American aircraft and crews;
  - (2) Adjustment of disputes between masters and crews of vessels;
  - (3) Handling of estates of deceased seamen;
  - (4) Issuance of bills of health, and liaison in that connection with the United States Public Health Service;
  - (5) Assistance to masters of vessels in matters relating to entrance and clearance of vessels in foreign ports and in ports of the United States.
- (c) The Transportation Service Branch of the Division shall be responsible for making all arrangements to facilitate the official travel of officers and employees of the Department within and outside the continental limits of the United States, the official travel of officers and employees of other civilian agencies outside the continental limits of the United States, and the travel of foreign nationals. This includes the preparation of travel orders, the issuance of government transportation requests and bills of lading, the procurement of tickets for rail, air, boat, or other kinds of transportation, of freight accommodations, and of air priorities, and the arrangements for medical and health examinations and inoculations, and other similar services for authorized travelers. In connection with these activities the Transportation Service Branch shall establish liaison with the appropriate offices and divisions of the Department of State and with other agencies of the Government, including the War and Navy Departments and the War Shipping Administration.
- (d) The function of authorizing travel shall continue to be performed in the same manner as heretofore, and the Division of Budget and Finance shall continue to be responsible for the administrative audit of all obligation and disbursement documents issued in connection with requests for reimbursement of the cost of such official travel and transportation.
- (e) Procedures governing the authorization, arrangement, and audit of official travel shall be issued in the Official Travel Series of Administrative Instructions. As a result of studies which are being made currently, a series of instructions will be issued shortly to simplify, clarify, and facilitate the handling of official travel.
- 4 *Division of Foreign Buildings Operations.* The Division of Foreign Buildings Operations shall be responsible for performing the functions of housing and furnishing diplomatic and consular establishments abroad as required by the Foreign

Service Buildings Act of Congress, approved May 7, 1926. Within the Division of Foreign Buildings Operations are three Sections, functioning under the direction of the Chief and Assistant Chief of the Division: Buildings Projects Section, Property Management Section, and Furniture and Furnishings Section.

(a) *Building Projects Section.* The Building Projects Section is responsible for the analysis, approval and development of projects for the purchase of properties and construction of buildings for the housing of the diplomatic, consular and other agencies of the United States Government abroad. This includes such activities as:

- (1) The maintenance of complete information and records concerning property purchases, initial construction, and major improvements of properties;
- (2) Analysis and determination of the needs for acquiring new sites and constructing or altering buildings for these purposes;
- (3) Providing of architectural and engineering designs, plans and specifications for the housing of the Foreign Service of the United States;
- (4) Analysis and determination upon projects submitted by the missions and other Government agencies for the purchase of property and buildings, for new construction or for major alterations and repairs work;
- (5) Supervision and inspection of the construction, alterations, repairs and maintenance operations on Foreign Service buildings and properties.

(b) *Property Management Section.* The Property Management Section is responsible for the supervision of the physical maintenance and use of Foreign Service of real properties. This shall include such activities as:

- (1) Maintenance of information and records regarding Government-owned diplomatic and consular establishments abroad;
- (2) Formulation and execution of plans for the physical maintenance, and routine alteration and repair of such properties;
- (3) Analysis and approval of requests for alterations and repairs on Foreign Service properties;
- (4) Advice to the missions on property matters;

- (5) Conduct of field inspections and surveys of Foreign Service properties.

(c) *Furniture and Furnishings Section.* The Furniture and Furnishings Section is responsible for the initial purchase and replacement of articles of residential furniture and furnishings. This includes such activities as:

- (1) Collection and maintenance of complete records and inventories on all Government-owned residential furniture, furnishings, and related articles of equipment in buildings owned or leased by the Department of State;
- (2) Preparation of programs for the furnishing of buildings constructed, purchased or leased for Foreign Service residences abroad, and the maintenance of existing furnishings;
- (3) Preparation of designs, layouts, specifications, contracts, and orders for such articles of furniture and furnishings;
- (4) Analysis and approval of proposals from the field for purchase or maintenance of furniture and furnishings;
- (5) Conduct of factory, warehouse, showroom, or field inspections necessary to carry out its responsibilities.

(d) *Responsibilities of the Chief of Division.* The Chief of the Division of Foreign Buildings Operations:

- (1) Is responsible for general supervision and direction of the work of the Division and the Sections. He shall act as Executive Secretary of the Foreign Service Buildings Commission, established by Act of Congress May 7, 1926, on which are represented the Secretary of State, the Secretary of the Treasury, the Secretary of Commerce, the Chairman and the ranking minority member of the Committee on Foreign Relations of the Senate, and the Chairman and the ranking minority member of the Committee on Foreign Affairs of the House of Representatives. The Chief of the Division is responsible for the preparation and submission to the Commission of reports on the status and projects of the Foreign Service Buildings program, and of reports for the Congress of the United States, and for

- carrying out the directions of the Foreign Service Buildings Commission;
- (2) Is responsible for the preparation of budgetary programs for initial construction work, property acquisitions, alterations, repairs, maintenance, residential furnishings, and supervision of construction, and is responsible for the expenditure of funds appropriated for such purposes;
  - (3) Shall work in close collaboration with the Division of Foreign Service Administration, and shall render to that Division, when required, technical services, including:
    - (i) Inspection and recommendation of properties for lease; recommendations on lessor-lessee obligations, rental rates and terms and layout requirements;
    - (ii) Inspection of existing leased properties; reports and recommendations on contract party obligations and programs of improvement of existing facilities.
  - (4) In carrying out the responsibilities of the Division, will also work closely with the Division of Foreign Service Personnel, the Division of Budget and Finance, the Legal Adviser, and the geographical Offices.

## XVII Office of Departmental Administration

The Office of Departmental Administration shall have responsibility, under the general direction of the Assistant Secretary for administration, for all matters of administration and organization of the Department of State. The Office of Departmental Administration shall be composed of the following divisions, with functions and responsibilities as indicated.

1 *Division of Budget and Finance.* (a) The Division of Budget and Finance shall have responsibility for the budgetary and fiscal functions of the Department of State, including international commissions and other international bodies. This includes such activities as:

- (1) Formulation of the budgetary program for the Department including:
  - Design and installation of budgetary plans and procedures;

Direction of the preparation and compilation of budgetary data;

Conduct of budgetary hearings within the Department;

Preparation of estimates and justifications;

Presentation and justification of the budgetary program to the Bureau of the Budget and the Appropriation Committees of the Congress.

- (2) Control of the budget program, including apportionment, allocation, and allotment of funds and positions within the limitations established by the Bureau of the Budget and the Congress.
- (3) Fiscal operations, including:
  - Development, design, and installation of accounting systems, methods, procedures, and forms;
  - Audit of fiscal documents and accounts;
  - Maintenance of accounts;
  - Fiscal control of the obligation and disbursement of funds;
  - Technical supervision of field accounting and disbursing officers;
- (4) The drafting, clearance, and review of budgetary and fiscal legislation, and regulations and instructions relating to budgetary and fiscal affairs; and review of general legislation for fiscal and budgetary implications;
- (5) Assistance to the Assistant Secretary for Congressional relations and international conferences in providing and directing the fiscal services necessary to the conduct of international conferences and meetings;
- (6) The carrying out of fiscal arrangements necessary to fulfillment of financial obligations incurred by the United States through membership in international organizations;
- (7) Arrangement, in collaboration with other departments and agencies of the Government, for necessary use of the Department's fiscal facilities abroad;
- (8) Collaboration with the Division of Financial and Monetary Affairs, the Treasury Department, and other departments and agencies of the Government, in connection with the procurement and sale of foreign

exchange by Foreign Service establishments abroad;

- (9) Preparation of fiscal, statistical and related reports, and maintenance of records necessary to efficient functioning of the Division.

(b) In the performance of budgetary and fiscal functions, the Division of Budget and Finance shall maintain close liaison with other divisions of the Department, in particular, the Planning Staff of the Office of the Foreign Service, and the Division of Management Planning of the Office of Departmental Administration; Federal departments and agencies such as the Bureau of the Budget, the Treasury Department, the General Accounting Office; and the Appropriations Committees of the Congress.

(c) The functions regarding appropriations for international conferences and fulfillment of financial obligations incurred by the United States through participation in international conferences or membership in international organizations, formerly vested in the Division of International Conferences, are hereby transferred to the Division of Budget and Finance, together with any pertinent records.

*2 Division of Management Planning.* The Division of Management Planning shall assist the Secretary of State and other high officers in the effective management of the Department of State through improved organizational structure of the Department and improved organizational and functional relations with the Foreign Service of the United States, clear definition of functions, lines of authority and responsibility, and effective work methods and procedures.

(a) In fulfilling its responsibility, the Division of Management Planning shall perform such functions as:

- (1) Continuous study of our foreign policies and objectives in the light of trends in foreign and domestic affairs, and participation in planning future foreign-relations programs, with particular reference to the administrative implications and feasibility of such programs, in order to develop and execute management policies adjusted to the Department's needs;
- (2) The furnishing of advice and consultative service and assistance in a staff capacity

to Offices and divisions, in order to facilitate the carrying out of their assigned functions through planned improvements of administrative management;

- (3) Continuous study of improved techniques of management analysis and planning in government and industry, with a view to the application of such techniques to the Department;
- (4) Continuous appraisal of the Department's organizational and functional relations with other governmental and intergovernmental agencies, interdepartmental and intergovernmental committees, or similar organized groups, with particular reference to over-all administrative implications for the Department and with a view to the continuous development of improved working relations;
- (5) Collaboration with the Planning Staff of the Office of the Foreign Service in the study of problems of mutual interest, in order to develop sound over-all administrative policies and practices and more effective working relations among organizational units of the Department, other agencies, and the Foreign Service;
- (6) Investigation, analysis, and appraisal of the Department's organizational structure, including intradepartmental committees or similar organized groups, in order to develop new organizational units or to make such adjustments in organizational structure as may be required;
- (7) Analysis of functions, work assignments, and lines of authority and responsibility among the Offices and divisions of the Department, with a view to clearer definitions as required and maximum coordination to effort based on exact understanding of working relations;
- (8) Study and analysis of work methods and procedures, with particular reference to those which cut across organizational lines in the Department, and between the Department and other agencies, such as the flow of correspondence and other documentation, with a view to simplification of work, standardization of methods and procedures, elimination of waste of time and effort, reduction of costs or delays, and

- improved utilization of employee skills; review and control of forms with a view to their standardization and simplification;
- (9) Preparation, or assistance in preparation, and review (a) of proposed legislation or Executive orders concerning the authority, functions, or management of the Department, and (b) of Departmental Orders, Designations, and Regulations, Administrative Instructions, organizational and administrative manuals, and other documents concerning organizational structure, functions, lines of authority and responsibility, work methods, and procedures. The Division of Management Planning shall be responsible for necessary clearance of such documents with interested divisions and Offices and shall review such documents from the viewpoint of content and purpose, their over-all administrative implications and effects, and conformity with existing regulations on the subject, such as those set forth in Departmental Order 1269 of May 3, 1944;
- (10) Assistance in the development of a system of divisional progress reports; through study of such reports, keeping informed of current accomplishments and trends in program activity as a basis for anticipating needed adjustments in organization, clarification of functions, lines of authority and responsibility, and improvement in work methods and procedure;
- (11) Enlisting the active support and assistance of all employees in the improvement of management in the Department, through such means as suggestion and incentive programs, employee-management conferences, and the like;
- (12) Participation with the Division of Budget and Finance in considering such matters as the preparation of budget estimates and allotment of positions, with the Division of Departmental Personnel in considering such matters as the evaluation and classification of jobs, with the Division of Central Services in considering such matters as the allotment and utilization of space and equipment and records administration; keeping those divisions currently informed concerning management-planning matters

which may affect their work, and securing their advice and assistance in the conduct of management-planning projects and in effecting management-improvements.

- (b) In performing its functions, the Division may undertake work projects:
- (1) On its own initiative;
  - (2) By assignment from the Secretary of State, other high officers of the Department, or staff committees such as the Secretary's Staff Committee;
  - (3) By request from other administrative divisions in connection with administrative problems;
  - (4) By request from other divisions or offices in connection with their plans for management improvement;
  - (5) In such other ways as may be appropriate.

*3 Division of Departmental Personnel.* The Division of Departmental Personnel shall have the responsibility for:

- (a) The planning, developing, determining, and prescribing of all policies and procedures governing personnel management in the departmental service of the Department;
- (b) Initiation of appropriate action to bring about throughout the Department a general understanding and effectuation of the prescribed personnel policies and procedures;
- (c) Administration and execution of the applicable provisions of law, Executive orders, Civil Service regulations, and other Federal regulations controlling government personnel-management programs involving the development, prescription, and direction of the application of appropriate policies and procedures, the classification of positions, the recruitment and placement of employees, employee relations, health and welfare programs, employee-training programs, proper utilization of personnel, promotion programs, efficiency-rating system, personnel aspects of leave of absence and retirement, and matters such as resignations, involuntary separations, suspensions, et cetera;
- (d) In connection with the aforementioned activities, supervision over the development, installation, and maintenance of personnel records and reports;
- (e) Provision for all phases of personnel-management as may be prescribed by law, Executive order, or Federal regulations and as may be

required from time to time in the furtherance of the objectives of the Department.

4 *Division of Central Services.* There is hereby established a Division of Central Services which shall provide administrative services for the Department. The Division of Administrative Services and the Division of Communications and Records are hereby abolished and such of their functions as are referred to in the following paragraphs, the personnel performing those functions, and pertinent records and equipment are hereby transferred to the Division of Central Services. The remaining functions, personnel, records and equipment of these Divisions are transferred to other organizational units of the Department as provided elsewhere in this order. The Division of Central Services shall have responsibility for:

(a) All communications services of the Department, including:

- (1) Dispatch and receipt of all telegraphic communications including encoding, decoding and distribution to appropriate officials of the Department and other Federal departments and agencies;
- (2) Receipt and distribution within the Department and to other Government agencies of all incoming correspondence, and mailing of outgoing correspondence;
- (3) Maintenance of all messenger service for the Department;
- (4) Maintenance of telephone services (including preparation and issuance of telephone directories); and
- (5) Related activities.

(b) Development and maintenance of an adequate system of records and files, including:

- (1) The operation of appropriate central files and records;
- (2) The establishment of standards for the maintenance of necessary decentralized files; and
- (3) The operation of an adequate and continuous program of record retirement.

(c) Procurement and supply activities of the Department, including:

- (1) Procurement by purchase or otherwise of all supplies, printing and equipment;
- (2) Maintenance of all necessary warehouse, stockroom and shipping facilities;

(3) Development of equipment and supply standards for use throughout the Department;

(4) Procurement or production by directly operated facilities of all duplicating services;

(5) Maintenance of adequate records of all nonexpendable property owned by the Department; and

(6) Related activities.

(d) Procurement and allocation of space and related matters including:

(1) Determination of space needs;

(2) Procurement of all space needed by the Department;

(3) Allocation of available space in order to insure its most effective utilization;

(4) Maintenance of building security and protection; and

(5) Moving of personnel and physical equipment among buildings.

(e) Assistance to the Assistant Secretary for Congressional Relations and International Conferences in providing and directing the administrative services necessary to the conduct of international conferences and meetings;

(f) Other administrative services including:

(1) Maintenance of special secretarial and conference reporting facilities;

(2) Control and operation of all motor propelled vehicles;

(3) In cooperation with the Office of Public Affairs, arrangements for presentation of the Department's exhibits at national and international expositions.

(g) Matters incident to fulfillment of certain responsibilities of the Secretary of State including:

(1) Signature and issuance of certificates of authentication under the seal of the Department of State;

(2) Preparation of nominations of officers appointed and promoted by the President through the Department of State; issuance of commissions, certificates of designation, and exequaturs; and custody of pertinent current records;

(3) Custody of and control over the Great Seal of the United States; and

- (4) Certification, with or without seal, of copies of the official texts of United States treaties.

5 *Division of Cryptography.* (a) The Division of Cryptography shall have responsibility for the development and operation of the Department's cryptographic plan (that is, the construction of codes, development of procedures and methods for using such codes, and selection of code equipment adequate for the needs of the Department and the Foreign Service, and the maintenance of security of information transmitted by means of cryptographic systems, including:

- (1) Formulation, initiation, and coordination of policy and action regarding a cryptographic plan for the Department;
  - (2) Responsibility for the cryptographic security of telegraphic communications between the Department and Foreign Service establishments including the formulation of rules, methods, and techniques to be observed;
  - (3) Establishment and operation of a continuing study of telegraphic communications and security practices in connection with the development of a security program and the determination of action to be taken in case of security violation;
  - (4) Initiation of a formal security training program for communication personnel in the Department and in Foreign Service posts and the furnishing of consultant and advisory services to visiting chiefs of missions and United States Foreign Service officers on security problems;
  - (5) Inspection of communication facilities and security practices at Foreign Service posts and recommendation for necessary corrective measures.
- (b) The functions of the Division's sections are:
- (1) *Operations Section.* The Operations Section shall be responsible for developing the Department's cryptographic plan; for providing suitable cryptographic systems for implementing the cryptographic plan; and for distributing and keeping account of cryptographic material.
  - (2) *Security Section.* The Security Section shall be responsible for reviewing tele-

graphic communications as a basis for the development of the Department's cryptographic plan and detecting of security violations; and for rendering technical assistance on the preparation of cryptographic systems and instructions for their implementation.

(c) *Relations with other divisions.* The Division of Cryptography shall work with officers of the Department and the Foreign Service in applying security techniques to the preparation of telegrams and shall collaborate with the Office of the Security Officer in all matters affecting the over-all security of telegraphic communications. The Division shall also work closely with the Division of Central Services in the development of security practices affecting the operation of cryptographic systems and in the formal training of communication personnel in such practices.

(d) *Relations with other agencies.* The Division of Cryptography shall maintain liaison with the Joint Communications Board of the War and Navy Departments and with cryptographic security sections of other agencies of the government for the purpose of utilizing the latest developments and experience in the science of cryptography and cryptanalysis.

6 *Division of Coordination and Review.* (a) The Division of Coordination and Review shall function under the direction of the Director of the Office of Departmental Administration and shall have responsibility for:

- (1) Review of correspondence to assure proper signature and the maximum delegation of signing authority, as directed in Departmental Order 1270 of May 3, 1944;
- (2) Coordination of correspondence, including telegrams and airgrams, to assure that any new statements on policy represent the consensus of the divisions whose responsibilities are involved and that all divisions are currently informed of developments within the sphere or their functions and responsibilities;
- (3) Review of all correspondence for conformity with the approved style and form of the Department;
- (4) Continuous study of the Department's correspondence to assure simplicity of style and form, adequacy of expression, modification

as occasion warrants, and facilitation of rapid transaction of business, and general conformity with accepted modern practices;

- (5) Issuance, through the Division of Management Planning, of comprehensive Administrative Instructions as directed by Departmental Order 1269 of May 3, 1944, paragraph 9, prescribing procedures for the preparation, coordination, and signature of correspondence;
- (6) In cooperation with the Division of Departmental Personnel and the Division of Foreign Service Personnel, assistance in training new employees in the styles and forms of correspondence;
- (7) Related duties as assigned.

(b) All correspondence of the Department of State, including airgrams and telegrams, shall be routed through the Division of Coordination and Review prior to mailing or transmission outside the Department.

(c) In discharging its responsibilities, the Division of Coordination and Review shall work closely with other Offices and divisions of the Department in maintaining the highest standards of correspondence and shall collaborate fully with them in the modification and development of standards to meet current needs.

(d) On the form and style of specific correspondence, the view of the Division of Coordination and Review shall prevail. If the Division believes a statement of policy contained in a letter warrants further consideration in the light of established policy, the correspondence may be returned to the originating division with such suggestion; if the originating division does not accept the suggestion, the matter shall be referred to the Director of the Office concerned for final decision.

*7 Division of Protocol.* The Division of Protocol shall have responsibility for:

- (a) Arranging for presentation to the President of Ambassadors and Ministers accredited to this Government;
- (b) Correspondence concerning their acceptability to this Government and correspondence concerning the acceptability to foreign governments of like officers of the United States;
- (c) Questions regarding rights and immunities in the United States of representatives of foreign governments;

(d) Arrangements for all ceremonials of a national or international character in the United States or participated in by the United States abroad;

(e) Arrangements for and protection of distinguished foreign visitors;

(f) Questions concerning customs and other courtesies abroad;

(g) Making arrangements for the casual or ceremonial visits of foreign naval vessels and of foreign military organizations to the United States, and visits of the same character of United States naval vessels and military organizations abroad;

(h) Arrangements for the entry of troops of Allied Nations and their baggage, arriving at United States ports en route to training centers in this hemisphere and en route to foreign duty;

(i) Arrangements for release, as international courtesy, of certain war materials, ammunitions, models, et cetera, used in fulfilling contracts for Allied Nations;

(j) Matters with respect to visits of aliens to industrial factories and plants where war contracts are being executed;

(k) Questions affecting the Diplomatic Corps under the commodities rationing program;

(l) Matters of ceremonial in connection with the White House and the Department of State;

(m) Preparation of the Diplomatic List;

(n) Maintenance of a record of all officers and employees of foreign governments in the United States and its possessions;

(o) Handling matters concerning the application of the provisions of the Selective Service and Training Act of 1940, as amended, to duly qualified officials and employees of foreign governments and foreign students;

(p) Preparation of exequaturs, certificates of recognition, and notes granting provisional recognition to foreign consular officers in the United States, and correspondence relating thereto;

(q) Preparation of the List of Foreign Consular Offices in the United States;

(r) Questions concerning the medals and decorations conferred by foreign governments upon officers of the United States;

(s) Preparation of communications from the President to the Heads of foreign states; and

(t) Obtaining exemption of foreign government officials, employees, missions, and instru-

mentalities from certain Federal, State, and local taxes.

8. *Division of International Conferences.* (a) The Division of International Conferences shall continue, pending further adjustments in organization, to be responsible for the coordination of all administrative aspects of the preparation and conduct of international conferences.

(b) The following functions and the personnel performing them and the pertinent records and equipment of the Division of International Conferences shall be transferred as indicated:

(1) Planning and organization of United States delegations to international conferences, congresses, et cetera, including the preparation of instructions to the delegates—to the Assistant Secretary for Congressional relations and international conferences;

(2) Responsibility for liaison with permanent international organizations—to the Division of International Organization Affairs, Office of Special Political Affairs.

(3) Administration of appropriations for expenditures in connection with conference activities and for fulfillment of financial obligations incurred in connection with United States participation in international conferences, congresses, et cetera, or United States membership in international commissions and other international organizations—to the Division of Budget and Finance, Office of Departmental Administration;

(4) Handling of physical arrangements for participation by the United States in international conferences, congresses, expositions, and conventions, in the United States and abroad—to the Division of Central Services, Office of Departmental Administration.

## XVIII Office of Controls

The Office of Controls shall have responsibility, under the general direction of the Assistant Secretary for administration, for formulating and coordinating policy and action in all matters pertaining to the control activities of the Department of State. The Office of Controls shall be composed of the following divisions, with functions and responsibilities as indicated.

1 *Passport Division.* The Passport Division shall have responsibility for formulating and coordinating policy and action in all matters pertaining to:

(a) The administration of laws and regulations relating to the control of American citizens and nationals leaving and entering territory under the jurisdiction of the United States;

(b) Limitation of travel of American citizens in foreign countries;

(c) Determination of eligibility to receive passports or to be registered as citizens or nationals of the United States in American consulates of persons who claim to be American citizens, citizens of Puerto Rico, citizens of the Virgin Islands, citizens of the Commonwealth of the Philippines, or inhabitants of the Canal Zone, Guam, or American Samoa, owing permanent allegiance to the United States;

(d) Prevention and detection of fraud in passport matters and the preparation of cases involving fraud for prosecution in the courts;

(e) Issuance of passports;

(f) Issuance of instructions to American diplomatic and consular officers on matters relating to nationality, passports, registrations, and the protection of American nationals in foreign countries, the release of persons inducted into foreign military service, the refund of taxes imposed for failure to perform military service, the preparation of reports of births of American citizens abroad and reports of marriages;

(g) Administration of passport work performed by the executive officers of American Samoa, Guam, Hawaii, Puerto Rico, the Virgin Islands, and by the United States High Commissioner to the Philippine Islands;

(h) Supervision of the passport agencies in New York, San Francisco, and Miami; and

(i) Direction of clerks of courts in the United States with regard to passport matters.

2 *Visa Division.* The Visa Division shall have responsibility for the formulation and coordination of policy and action in all matters pertaining to:

(a) Alien visa control;

(b) The assembling and examination of all information necessary to determine the admissibility of aliens into the United States in the interest of public safety;

(c) The issuance of exit and reentry permits;

(d) Recommendations to American Foreign Service officers for their final consideration concerning individual visa applicants;

(e) The control of immigration quotas;

(f) The issuance of licenses within the purview of paragraph XXV of the Executive Order of October 12, 1917, relating to the Trading with the Enemy Act and the title VII thereof, approved June 15, 1917; and

(g) Collaboration with interested offices and divisions of the Department, as well as with other agencies of the Government, concerning the control of subversive activities and the transportation of enemy aliens.

3 *Special War Problems Division.* The Special War Problems Division shall be charged with the formulation and coordination of policy and action in all wartime matters pertaining to:

(a) The whereabouts and welfare of, and transmission of funds to, Americans abroad;

(b) The evacuation and repatriation of Americans from foreign countries;

(c) Financial assistance to Americans in territories where the interests of the United States are represented by Switzerland;

(d) Liaison with the American Red Cross and the President's War Relief Control Board for the coordination of foreign relief operations of private agencies with the foreign policy of this Government;

(e) Representation by this Government of the interests of foreign governments in the United States;

(f) Representation by a third power of United States interests in enemy countries;

(g) Supervision of the representation in the United States by third powers of the interests of other governments with which the United States has severed diplomatic relations or is at war;

(h) The exchange of official and non-official personnel of the United States and Axis powers;

(i) Civilian internees and prisoners of war, and the accompanying of representatives of the protecting powers and the International Red Cross on prisoner-of-war and civilian-enemy-alien camp inspections; and

(j) In close collaboration and consultation with the office of the Legal Adviser and the geographic and other interested divisions of the Department, all questions arising from the use, possible use, or allegation of use of asphyxiating, poisonous, or other similar gases, or of bacteriological methods of warfare.

4 *Division of Foreign Activity Correlation.* The Division of Foreign Activity Correlation shall have responsibility for the formulation and coordi-

ination of policy and action in all matters pertaining to such foreign activities and operations as may be directed, for liaison with various intelligence agencies of the Government, and for censorship matters.

## XIX General

1 *Inter-Office and interdivisional relationships.* Because of the comprehensive and complex nature of the Department's work and its interdepartmental coordinating responsibility, important policy matters and action problems are likely to involve more than one division. Therefore each division is under obligation to take care that all other divisions affected by or interested in a particular policy or action being handled by the division with primary responsibility are drawn into the development of a concerted Departmental viewpoint.

2 *Responsibility for organizational matters.* The Office of Departmental Administration is responsible in behalf of the Secretary, the Under Secretary, and the Assistant Secretary for administrative matters within the Department. To this Office shall be referred questions of organizational relationships, clarification of administrative responsibility, and administrative aspects of interdepartmental relationships. The Office of Departmental Administration shall work with the Offices and agencies concerned to explore, analyze and recommend methods of handling such matters.

3 *Previous orders amended.* Any previous Departmental Order, instruction, or other prescription relating to assignment of functions or organizational structure in conflict with this order, is hereby amended in accordance with the provisions of this order.

4 *Delegation of fiscal authority.* Delegation of authority to obligate the appropriations or funds of the Department of State, to make funds available for disbursement, to approve or certify vouchers or other documents for payment, and to perform related fiscal signing acts is redelegated to officers previously holding such authority except where this order effects a transfer of certifying, obligating or related fiscal functions. In such cases signing authority is hereby delegated to the officer in charge of the organizational unit to which such functions have been transferred.

E. R. STETINIUS, Jr.

## Departmental Designation 106 of December 20, 1944<sup>1</sup>

Pursuant to Departmental Order 1301 of December 20, 1944, the following persons are hereby designated to the positions indicated.

### Office of the Secretary (S)

(Edward R. Stettinius, Jr.)

#### *Special Assistants:*

Special Assistant for International Organization and Security Affairs: Leo Pasvolosky

Special Assistant for Press Relations:

Michael J. McDermott

Executive Assistants:

Homer M. Byington, Jr.

Lincoln White

Special Assistant and Chief of Protocol:

George T. Summerlin

Special Assistant on Broad Management Matters:

Robert J. Lynch

Administrative Officer: J. Langdon Ward

Special Assistant on Substantive Matters:

G. Hayden Raynor

Assistant: Mathaway Watson, Jr.

#### *Assistants:*

Assistant for White House Liaison:

Charles E. Boblen

Assistant for drafting: Wilder Foote

Assistant for review and coordination of Secretary's and Under Secretary's

correspondence: Blanche R. Halla

Assistant on matters of general policy:

Carlton Savage

Assistants:

Morris N. Hughes

James E. Brown, Jr.

#### *Consultants and Advisers:*

Consultant: Robert Woods Bliss

Adviser on Arms and Munitions Control:

Joseph C. Green

Adviser on Petroleum Policy:

Charles B. Rayner

Adviser on Caribbean Affairs and Chairman, U. S. Section, Anglo-American Caribbean Commission: Charles W. Taussig

Special Assistant to the Chairman, U. S. Section: Sidney de la Rue

Executive Secretary, U. S. Section: John F. Gange

#### *Special Advisers:*

Isaiah Bowman

Henry P. Fletcher

*Joint Secretariat for Secretary's Staff Committee and Coordinating Committee:*

Executive Secretaries:

Charles W. Yost

C. Easton Rothwell

### The Under Secretary (U)

(Joseph C. Grew)

#### *Assistants:*

Frances Willis

Marion A. Johnson

The Assistant Secretary for European, Far Eastern, Near Eastern, and African Affairs (A-D)

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DECEMBER 20, 1944.

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# THE DEPARTMENT OF STATE BULLETIN

VOL. XI, NO. 287

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*In this issue*

UNITED STATES POLICY TOWARD POLAND

*Statement by the Secretary of State*

THE ADMINISTRATION AND STRUCTURE OF JAPANESE GOVERNMENT

*Article by Hugh Borton*



THE DEPARTMENT OF STATE

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# The Administration and Structure Of Japanese Government

By HUGH BORTON<sup>1</sup>

A CONSTITUTIONAL monarchy was formally established in Japan in 1889, with the promulgation of the Constitution, which provided for certain representative institutions such as the Lower House of the Diet (Parliament). The new Government was based on the concept of centralized control and autocratic authority. The growth of a party system following the World War modified this concept for a decade and a half; the basic structure of the Japanese Government, however, was not changed. The conquest of Manchuria in 1931, subsequent events on the continent of Asia and in the southwest Pacific, and the need of extending economic and political control over the conquered territories made imperative widespread changes in the Government. Subsequently the demands of total war and the megalomania of the militarists accelerated the tendency toward the centralization of power, so that at the present time all aspects of Japanese life, whether political, economic, or social, are under the direct control of the central authorities and are integrated with the war effort.

To comprehend how this concentration of power in the hands of the central Government was possible without a change in the Constitution and in the other fundamental laws of Japan, and to understand the operation of government in Japan at the present time, it is necessary first to analyze the administration of this Government prior to the outbreak of war with China in 1937 and secondly to study those changes since then that have produced the Japanese totalitarian state as it operates today.

## I

### ORGANIZATION OF THE CENTRAL GOVERNMENT IN 1937

#### A. *Executive and Legislative Organs: The Emperor and His Advisers*

Nowhere is the concept of autocratic authority in government in Japan better exemplified than

in the authority of the Emperor as provided in the Constitution. The Emperor is the head of the Japanese state in an absolute sense: he is sacred and inviolable. He uses his sovereign powers with the assistance of the various organs of state; he obtains the consent of the Imperial Diet in exercising his legislative powers; he issues the ordinances necessary for the carrying out of the laws or the maintenance of peace and order; and he determines the organization of the branches of the administration and the salaries of officials. He likewise determines the organization of the armed forces, declares war, and makes peace.<sup>2</sup> In actual practice, however, the Emperor rules but does not govern; he delegates his authority to his subordinates. Furthermore, in recent years a narrow interpretation of the Constitution has been accepted in Japan, so that the Emperor is not considered as an organ of the state but as the state itself, and consequently any organ of the state such as the Diet is subordinate to the Emperor.

The Privy Council, originally established in 1888 to approve the Japanese Constitution prior to its promulgation, is composed of a President, a Vice President, and 24 councilors of *shinnin* rank (officials of the highest rank personally appointed by the sovereign) whose primary function is to serve as the Emperor's constitutional advisers. The Grand Keeper of the Imperial Seals as well as the Minister of the Imperial Household are his intimate personal advisers on ordinary matters, but in military affairs the Chiefs of the Army and Navy Staffs have complete control, and they request the Emperor's approval only on matters of grave importance.

<sup>1</sup> Mr. Borton is a Country Specialist, Division of Territorial Studies, Office of Special Political Affairs, Department of State.

<sup>2</sup> Japanese Constitution, arts. III-XIII. For an official translation see Ito Hirobumi, *Commentaries on the Constitution of the Empire of Japan* (Tokyo, 1906).

### *The Cabinet*

Although the Cabinet is not specifically provided for in the Constitution, article 55 does stipulate that "the respective Ministers of State shall give their advice to the Emperor and be responsible for it". Hence the Cabinet is the most important branch of the executive and has the initiative for inaugurating legislation. In 1937 it was composed of twelve state ministers exclusive of the Prime Minister. In addition to the various ministries which composed the Cabinet, several offices which carried on administrative activities were attached to it: The Secretariat, the Pension Bureau, the Audit Bureau, and the Printing Bureau. Other bureaus were affiliated with the Cabinet and were under the direct control of the Premier. The two most important of those were the Legislation Bureau and the Manchurian Affairs Board. In 1937 the Legislation Bureau was responsible, and still is, for drafting bills to be submitted to Parliament and ordinances to be promulgated. In discharging his duties the Chief of the Legislation Bureau has the right to present his opinion to the Cabinet and has thus come to be an extremely influential member of the Government.

The Manchurian Affairs Bureau was established in December 1934 with authority to supervise all matters concerning the Kwantung Leased Territory and the South Manchuria Railway Zone.<sup>3</sup> In reality this Bureau became the chief organ of the Japanese Government for the control of Manchuria, and its direction was always exclusively an Army responsibility. It was superseded by the Ministry of Greater East Asia in November 1942, at which time its functions were transferred to the Manchurian Affairs Bureau of that Ministry.

### *The Prime Minister*

The Prime Minister is the most important person in the national Government. It is his duty not only to supervise the Cabinet and to preserve unity among the various ministers but also to present to the sovereign reports on administrative matters. He can order when necessary the suspension of an administrative operation pending a final decision from the Emperor. He directs the Chief of the Tokyo Metropolitan Police and the prefectural governors. He presents to the Cab-

net legislative and budgetary bills and has charge of the appointment of officials of *chokunin* rank: Vice ministers, judges, procurators, directors of bureaus, and the prefectural governors, the latter being recommended to the Prime Minister by the Home Minister. When called upon by the Emperor to form a cabinet, the Prime Minister usually suggests the appointments he wishes made to the various portfolios. These appointments are then given imperial sanction. However, the Ministers of the Army and the Navy are always selected by the services themselves.

### *Cabinet Ministries*

All Cabinet Ministers have the following common administrative functions, all of which they carry on in the name of the Emperor: (1) the right to elaborate on laws or ordinances within their functional powers, pending a decision by the Cabinet on these laws or ordinances; (2) the right to send instructions and orders on subjects within their domain to the Governors of Hokkaido and Karafuto (Southern Sakhalin), to the Chief of the Tokyo Metropolitan Police Board, and to the governors of the prefectures; (3) the right to supervise all authorities below them in the exercise of their duties and the power to suspend and annul the ordinances and administrative acts of these officials which they believe to be *ultra vires*; (4) the control over the conduct, nomination, promotion, demotion, or discharge of subordinates, and the right to take necessary disciplinary measures concerning their misconduct. The Ministers are assisted by one administrative and one political vice minister and by other subordinate officials. They must submit to the Privy Council for approval the actions which concern the reorganization of the Ministry, such as the establishment of a new bureau, or those which concern matters of policy. The various Ministries in 1937 were as follows: Foreign Affairs, Home Affairs, Finance, Justice, Education, Commerce and Industry, Agriculture and Forestry, Communications, Railways, Overseas Affairs, Army, and Navy.

In 1937 the Ministry of Foreign Affairs administered all matters relative to foreign intercourse except with Manchuria and the colonies; consequently it was one of the most influential of the Ministries. It was composed of five bureaus—East Asia, Europe and Asia, America, Commercial, and Treaties, but its power of independent

<sup>3</sup> Cabinet Printing Bureau, *Shoku In Roku* (Tokyo, 1938), p. 2.

action on basic matters of policy was constantly challenged by the military. One indication of the declining influence of the Ministry of Foreign Affairs was the formation of the Cabinet's Manchurian Affairs Board in 1934 with jurisdiction over Manchurian affairs. Recent developments have deprived the Foreign Office of even more of its former authority.

The Ministry of Home Affairs has always been the most powerful governmental department in terms of internal control. Through its supervision of the entire police force (except the gendarmerie) and through its direct control over the prefectural governments, practically all activities of the ordinary citizen are affected by it or by its subordinate agencies. Since the Minister of Home Affairs selects the prefectural governors, that Minister is the most important political figure in the Government except the Premier. The work of the department was carried on in 1937 by the following bureaus: Shrines, Local Affairs, Public Order, Public Works both national and prefectural, and Planning.

The Ministry of Finance controls all affairs relating to national finance. In 1937 it had the following four bureaus: the Bureau of Accounts, which was in charge of the national budget; the Bureau of Taxation, which levied and collected the taxes in cooperation with the prefectural governments and supervised the land register, customs, and excise taxes; the Bureau of Fund Employment, which directed the disbursement of national funds and the issuance, circulation, and control of the currency; and the Bank Bureau, which dealt with matters concerning all types of banks as well as the tobacco and salt monopolies.

The Ministry of Justice supervises the courts and the practice of law within Japan. It selects and controls the public procurators attached to the courts. In 1937 the courts were divided as follows: 1 Supreme Court, 7 courts of appeals, 52 district courts, and 282 local courts. The actual administration of the Ministry of Justice is carried out through the Bureaus of Civil Affairs, Criminal Affairs, and Prison Affairs.

The Ministry of Education directs the educational, and to some extent the religious, affairs of the entire country; its policies are implemented through the prefectural departments of education. At the outbreak of the war with China in 1937 the Ministry was composed of seven bureaus, which dealt with all phases of education. Although the

prefectures, cities, and towns are responsible for matters connected with the financial support of secondary and elementary schools, the Ministry determines all educational policy. Such matters as the school, college, and university curricula and the contents and types of textbooks are decided by the Ministry in Tokyo. This complete control by the central Government over all important educational affairs has enabled the authorities to inculcate the younger generation with its own dogma and has been one of the reasons why the Japanese have acquiesced so easily in Government policies. The Minister of Home Affairs has an indirect control over the system of education, since the governors of the prefectures appoint principals and teachers upon the recommendations of the local mayors. Consequently the Home Minister, through his control over the prefectural governors, could easily veto an appointment not approved by him. Education in the colonies was under the jurisdiction of the various colonial governments until the reorganization of the central Government in 1942, at which time it was placed directly under the Ministry of Education. The Army and Navy have always controlled directly the military schools as well as military training in all the secondary schools, colleges, and universities.

Prior to their amalgamation into a single Ministry in November 1943, the Ministry of Commerce and Industry was in charge of commerce, industry, mining, foreign trade, insurance, patents, and the problems of rationalization of industry; the Ministry of Agriculture and Forestry supervised all matters concerning agriculture, forestry, fishing and marine industries, stockbreeding, and the enforcement of the rice and cereal laws.

In 1937 the Ministry of Communications controlled and operated the government-owned postal, telegraph, telephone, broadcasting, and beacon services and controlled all matters relating to electricity, hydroelectric power, and civil aviation. The Ministry of Railways administered the affairs of the Government railways and supervised the various private railway companies. The actual operation of the state railways was carried on from the following administrative headquarters: Tokyo, Sendai, Nagoya, Osaka, Moji, and Sapporo. The director of each of these centers was given full powers to conduct the affairs within his region. These two ministries, however, were also amalgamated in November 1943 into the single

### Ministry of Transportation and Communications.

The Ministry of Overseas Affairs was established in 1927 to have general supervision over the administrative work of the Governors General of Korea and Formosa, the Government of the Kwantung Leased Territory, Karafuto, and the South Sea Islands. However, its jurisdiction was always limited. The offices of the Governments-General of Korea and Formosa were directly under the Vice Minister of Overseas Affairs, but the Governors General of these colonies were responsible to the Prime Minister. Furthermore, the Kwantung Leased Territory was controlled by the Manchurian Affairs Board after its formation in 1934. With the formation of the Greater East Asia Ministry in 1942, this Ministry was finally abolished.

The role of the Army and Navy in the operation of the Japanese Government is so important that it requires at least cursory mention in a survey of the administration of the civil branches of government in Japan. Besides the responsibility for the administration of military and naval affairs, the Ministry of the Army and the Ministry of the Navy have assumed an increasingly important position, especially since 1931, in the determination of policy. The provisions in the Constitution which state that the Emperor has the supreme command of the Army and Navy (art. XI) and that he determines their organization and peace-standing (art. XII) have been interpreted to mean that the services, acting in the name of the Emperor, have final responsibility for all military and naval affairs and that consequently their actions are not subject to censure by the Government. Furthermore, the Rules of the Cabinet, promulgated in 1889, also provide that "with the exception of military and naval affairs of grave importance which, having been reported to the Sovereign, may have been referred by the Emperor for the consideration of the Cabinet, the Ministers of Army and Navy shall report to the Prime Minister."<sup>4</sup> As a result the Ministers of the Army and Navy, as well as other top-ranking military officials, have long had the privilege of direct access to the Emperor on the most important military matters and have completely ignored the Cabinet or the Prime Minister whenever it was to their advantage to do so. Thus the service Ministers, while regular members of the Cabinet,

are not subject to its decisions; this independence of action has often nullified the decision of other ministries, particularly the Ministry of Foreign Affairs and the Ministry of Overseas Affairs. The Army and Navy have supplemented their power through the establishment and control of such vital Cabinet bureaus as the Manchurian Affairs Board, and after the outbreak of the war with China in 1937 they accelerated their demands for governmental reforms until complete control was concentrated in their hands.

### *Ministries and Organs Outside the Cabinet*

The Ministry of the Imperial Household has charge of all matters that concern the imperial family. Its Minister, appointed directly by the Emperor, is not a member of the Cabinet, nor is he responsible to the Prime Minister. The Grand Keeper of the Privy Seal is also a direct appointment of the Throne. He has charge of all official seals and is required to place the imperial seal on all ordinances and laws prior to their actual promulgation.

The Board of Audit, the Chief of which is on an equal footing with the Ministers of State but is not a Cabinet Minister, is divided into three divisions, each with its own chief, and twelve inspectors appointed by the Emperor or by the advice of the Prime Minister. The Board audits the accounts of the central Government and other corporate bodies that receive Government subsidies or guaranties.

The Court of Administrative Litigation, which sits in Tokyo, is competent to handle certain cases between individuals and the Government, and it also passes judgment on the validity of administrative acts. Its judges are appointed for life on the recommendation of the Prime Minister; however, the Government cannot interfere with the Court.

### *The Diet*

The legislative branch of the Japanese Government, like the judicial, is much less important than the executive. The main legislative organ, known as the Diet, is bicameral: Both houses enjoy equal legislative powers except that the lower house initiates financial bills. The upper house, or House of Peers, numbered 409 members in 1937 and was composed of the nobility, imperial appointees, and persons elected by the taxpayers paying the highest taxes. The Lower House, or house of representa-

<sup>4</sup> *Nippon Horei Zensho*, vol. 22 (1889), p. 320.

tives, had 446 members in 1937, who were elected by adult male suffrage. Except for the right of the Diet to enact new legislation, its powers are distinctly limited since it has no voice in the operation of foreign affairs other than the right of its members to interpellate Cabinet Ministers. Furthermore, it has only limited power over the budget, for if it fails to pass a budget which the Cabinet submits to it, the budget of the preceding year becomes effective. As a result of this weakness, a Cabinet can remain independent of the Diet and ignore a vote of non-confidence if it is willing to accept the budget of the previous year. Finally, the Emperor has the power to prorogue the Diet and can dissolve the Lower House; after such an action a general election must be held.

### *The Police*

One of the best examples of the extent of the authority of the central Government in Japan is found in the police system. Police functions in Japan are performed by the civil police, under the direction of the Minister of Home Affairs, and the military police, under the Minister of the Army. Consequently, of the 60,000 civil police in 1937 all were members of a national police force rather than representatives of local governments. Police inspectors are in charge of each of the police bureaus in the prefectural governments, and they supervise the civil police in their locality. They are directly responsible to the prefectural governor and hence indirectly to the Minister of Home Affairs. Police activities in the city of Tokyo are supervised by the Tokyo Metropolitan Police Board, a separate organization directly responsible to the Home Office. In 1943 a similar organization was established for the city of Osaka.

Police surveillance covers a much wider range of activity than in this country. The police not only have the ordinary responsibilities for preserving peace and order but also supervise public health, the administration of fire-fighting units, and the enforcement of the various restrictive measures resulting from complete national mobilization. In recent months one section of the police has been assigned to air-raid defense.

The gendarmerie or military police are a branch of the Japanese Army. They act independently of the civil police. However, their powers extend over civilian as well as military personnel, but their control over civilians is supposed to be limited to matters involving national defense.

### *The Civil Service*

Reference has already been made to the civil servants in various ministries. There are four ranks of civil servants: *Shinnin*, *chokunin*, *sonin*, and *hannin*. Those of *shinnin* rank are especially appointed in person by the Emperor and are eligible for the offices of Premier, Cabinet Ministers, Privy Councilors, and Governors General of Korea and Formosa, for the highest judicial offices, and for ambassadorships. Those of *chokunin* rank are eligible to serve as vice ministers, judges, procurators, directors of bureaus, and prefectural governors. They are appointed by the Emperor, usually with the advice of the Premier. The lack of proper rank does not act as a deterrent for appointment to these higher offices, for the appropriate civil-service status accompanies the appointment. *Shinnin* and *chokunin* together totaled 1,786 in 1937. *Sonin* rank is conferred only on those who pass examinations successfully and who obtain the approval of the Emperor. There were 16,194 members of *sonin* rank in the civil service in 1937.

Civil servants of *hannin* rank, those who occupy minor positions in the Government, comprise the largest proportion of workers within the Government. In 1937 they totaled 141,811. Their appointments are made by the heads of the departments in which they are working. It should be noted that other national employees, without any of the ranks mentioned above, total nearly 330,000.

The civil-service system within Japan has been elaborately developed and universally applied. It is entirely on a uniform basis as to salaries, promotions, and treatment of personnel, which has kept the Government service on a high level of morale. Practically all branches of Government service are open to those who successfully pass the examinations. This system offers greater opportunity than private life for achieving distinction. The best material in the universities, therefore, has been attracted to the civil service, and the bureaucracy has commanded the respect of the public.

### *B. Organization of Local Government in 1937*

The highly centralized aspects of Japanese government and the wide extent of power of the national authorities have naturally resulted in the formation of local government with only limited powers. The main unit of local government, at least until the formation of the nine new adminis-

trative districts in 1943, has been the prefecture. In 1937 Japan had 47 administrative units, including 3 city prefectures (Tokyo, Osaka, and Kyoto); 43 regular prefectures, including the central and southern Liuchiu Islands (Okinawa Prefecture); and Hokkaido. Local administration in Japan has followed a uniform pattern. The prefectures normally have had three departments: home, police, and education. The larger prefectures have had, in addition, a department of public works. Each prefecture has been subdivided into the smaller administrative units of cities, towns, and villages.

For technical reasons the Island of Hokkaido has not been called a prefecture. Since it is more sparsely populated and since it presents special problems, it has been administered as a unit with 6 urban and 14 rural districts. Special bureaus have had charge of exploitation, colonization, and the supervision of national forests. Except for these distinctions it has been administered and controlled as a regular prefecture.

The governor of the prefecture, appointed by the Emperor upon the recommendation of the Home Minister, has been responsible within his prefecture for all local affairs and for the implementation of national policies on matters such as public safety, finance, and education. As a representative of the local administration he executes orders of the local assembly or declares them null and void on the grounds of *ultra vires* or as contrary to the public welfare, issues limited ordinances, asks for outside assistance in times of crisis, and controls the voters' and civil-service lists.

Other powers of the governor include his right to appoint such subordinate officials as the tax collector, the governor of prisons, and their various assistants. The governor also has disciplinary power over the various acts of the officials subordinate to him. The direct responsibility of the governor to the Home Minister for all actions of the officials in his prefecture makes such appointments largely political. However, the unusually wide powers of control over the subjects make it comparatively easy for the governor to assure the election of candidates friendly toward the Government.

#### *Mayors*

In the three prefectural cities the mayor has been appointed for a term of six years by the

Emperor from the candidates nominated by the city council. The council, in turn, has been composed of the mayor, his deputies, and six non-professional members of the city assembly. The mayors of other cities and the smaller towns and villages have been appointed by the local assembly for a term of four years, subject to the confirmation of the governor. Similar confirmation has been necessary for the appointment of the deputy mayors.

#### *Centralized Control*

It must not be thought that any of these local authorities is able to exercise his powers freely, for control by the central Government is so minutely and completely imposed that even in matters of local interest there is little independent action. The bureaucracy has almost complete power to prevent the local government from doing what the people wish and can even compel it to undertake work in which it has little interest.

The personnel within the prefectural government are part of the civil service. In 1937 they numbered 1,430 in Hokkaido; they averaged about 200 for the other prefectures with a total of 9,232. Subordinate municipal officials are appointed by the mayor and are not civil servants.

City administration has been in the hands of the mayor, the council, and the assembly. The officers, except the mayor and his deputies, have included a treasurer elected by the assembly, an official investigator and examiner, and chiefs of the various bureaus. The offices subordinate to that of treasurer are created by the assembly and the mayor, and appointments and removals of officers for these positions are made by the mayor. Consequently, in the larger cities such as Tokyo assemblymen have exerted considerable influence for the appointment of friends to city offices. The number of bureaus has varied according to the size of the city. For instance, Tokyo had 22 bureaus covering the various functions of city administration. In spite of this elaborate organization, one must remember that Tokyo was far from being an autonomous political unit; it had no power over its own budget and was dependent on the national laws even in such matters as zoning and housing.

From the foregoing outline of the administrative organization of the Japanese Government before 1937, it is clear that civil control was centered in a few key positions, of which, aside from

that of Prime Minister, the position of Minister of Home Affairs, because of his control over the national police and all local government, was by far the most important. From a strictly administrative point of view this high degree of centralization has, on the whole, led to efficient Government operation, but it has made extremely difficult the emergence of a general political consciousness among the people or a realization by the people of the true function and purpose of both national and local government.

Although control of civil administration in Japan prior to 1937 was centered in a few key persons, the Japanese system of government was not, in fact, completely integrated, nor had any single official within the Government the power to determine policy. The Emperor was not directly responsible for administration; he acted as an integrating force only on rare occasions. The military was not yet sufficiently powerful to enforce a fully integrated policy upon the Government as a whole. The function of the Prime Minister was the preservation of unity among the various ministers; in reality, however, such a unity was impossible to achieve. The Army or Navy, through the Minister of the Army, the Minister of the Navy, or the Chiefs of Staff, could appeal directly to the sovereign for imperial sanction for whatever they planned. For instance in 1931 the Army obtained blanket authority to protect Japanese subjects in Manchuria. On the basis of this imperial approval the Army overran all of Manchuria after the "Mukden incident" of September 18, 1931. The protests of both the Prime Minister and the Minister of Foreign Affairs were useless, since the Army claimed it had acted only within the rights granted it by the Throne. If a Premier objected too strenuously to the policy of the military, the Minister of War resigned and forced the overthrow of the Government. The integration of Japanese government did not become complete until several months after Pearl Harbor, at which time the military leaders themselves actually became responsible for the formulation of all important policies and for the actual operation of government. To understand how the military controls and operates the Japanese Government it is necessary to outline the various administrative changes that took place after 1937.<sup>5</sup>

## II

### DEVELOPMENT AND ORGANIZATION OF WARTIME GOVERNMENT

#### A. *Incomplete Integration of Governmental Agencies, 1937-1943*

Many months before the outbreak of war with China in July 1937, the military had had firsthand experience with the development of control machinery for the operation of a "state". After the conquest of Manchuria and after the establishment in 1934 of the puppet state of "Manchukuo" under the egis of the Kwantung headquarters of the Japanese Army, the military leaders had a convenient experimental ground in which they could try out the various plans they had evolved for a military state and for the economic development and exploitation of the resources of Manchuria for the state. It served also as an experiment in training personnel to undertake similar tasks in Japan at a later date. It was no mere chance, therefore, that the key figures in the development of a military state in Japan were persons who had had previous experience in "Manchukuo."

After the military had secured control over Manchurian affairs through the establishment of the Manchurian Affairs Board as a special board of the Cabinet in 1934 and simultaneously with their economic development of Manchuria, the leaders of the Army, and especially the "Kwantung Clique", began to press for direct governmental control over the Japanese national economy in order to assure the production of war materials. As early as 1935 a Cabinet Inquiry Council and a Cabinet Inquiry Bureau were formed to advise the Government on economic policies. These attempts at planning were only partially successful. In 1936 the Army found that it was not strong enough to induce the Hirota government to form a board of general affairs for national planning. During the premiership of General Hayashi in 1937, however, the Cabinet Plan-

<sup>5</sup> For general accounts of the Government of Japan prior to 1937 see: Harold S. Quigley, *Japanese Government and Politics, an Introductory Study* (New York, 1932); Robert Karl Reischauer, *Japan, Government, Politics* (New York, 1939); Charles B. Fahs, *Japanese Government: Recent Scope and Operations* (New York, 1940); Hugh Borton, *Japan Since 1931, Its Political and Social Development* (New York, 1940). See also *Shoku In Roku, loc. cit.*

ning Office was established, and the new leaders of Japan began to plan for the expansion and mobilization of Japan's national strength for any eventuality. After the outbreak of hostilities in China in 1937 the functions of the Planning Office were broadened and its name was changed to "Cabinet Planning Board". The president of the Board was given rank comparable to that of a Cabinet Minister, and the synchronization of the Board's policies with the plans for Manchuria was assured by the fact that its vice president was the acting vice chairman of the Cabinet's Manchurian Affairs Board. Acting largely as a coordinating and directing agent and attached directly to the Cabinet, the Cabinet Planning Board drafted plans for Japan's mobilization and presented them to the Cabinet for its consideration. After it had examined the urgency, importance, and priority of proposals and claims made by the various governmental departments, it forwarded its opinions on these matters to the Cabinet for action. Furthermore, as evidenced by the fact that the Cabinet Planning Board was author of the National Mobilization Law enacted on March 16, 1938, it prepared bills for submission to the Diet, and it made recommendations to the Diet on economic matters. The Board was, in fact, the most effective organization yet developed for the formation of a unified national policy, and it became, in practice, an economic general staff of the Army, but it never had complete power to enforce its decisions.<sup>6</sup>

The question of the establishment of a welfare ministry had been under discussion for some time, but with the outbreak of hostilities in July 1937 its establishment was suspended. The conditions produced by the war in China made the Japanese authorities realize the need for an organization to control and perfect military relief, to conserve human resources for military preparations, to adjust the replacement of soldiers sent to the front, and above all to promote the physical strength and general welfare of the Japanese nation. Furthermore, studies revealed the need to improve the health of the nation. The average duration of life of the Japanese was nearly ten years shorter than

among other industrial nations. Although the Japanese were increasing in stature, there were no increases in chest measurements, and tuberculosis was prevalent. There were nearly 7½ million cases of trachoma yearly. Internal parasites were found among 80 percent of the rural population. Thus the Welfare Ministry was formally established in January 1938. The most important work of this Ministry has been concerned with health and physical training, although as the war has progressed the problems of labor and compensation have become extremely important.<sup>7</sup>

In order to assure control of all media of public expression the Board of Information of the Cabinet was created on September 24, 1937. It was composed of five bureaus in charge of planning and investigation, the press and radio, publicity, censorship, and amusement. It operated through the Ministry of Communications and through the Home Ministry; it allowed only those policies acceptable to the Government to be disseminated.

With the southern advances of Japanese forces in China during 1938 the military sought the establishment of a board which would have sole responsibility for Chinese affairs and which it could control. Such a plan materialized when the China Affairs Board of the Cabinet was finally established in December 1938, for the statute creating the Board provided for the appointments of the Premier as president and the Ministers of Foreign Affairs, Finance, Army, and Navy as vice presidents. Thus if any vital question of policy arose the service Ministers were sure of the acceptance of their point of view by the Board, since their special position in the Government assured them of support from the Premier.<sup>8</sup>

The whole program of centralized control in Japan had lacked the support of any of the political parties. A movement therefore developed in favor of a single party. Premier Fumimaro Konoye in the summer of 1940 sponsored a new political organization, the Imperial Rule Assistance Association. The preparatory committee of the new party was composed of members from various groups: the Cabinet, the Diet, business, and the nationalistic societies. The old political parties were subjected to "involuntary" dissolution, and the I. R. A. A. was formally inaugurated in October 1940 with the Premier as its president. Until late in 1941 when the Army leaders took it over for their own purposes, its actual status was doubt-

<sup>6</sup> See *Tokyo Gazette*, no. 1, July 1937, p. 13 *et seq.*; Fahs, *op. cit.*, pp. 65-6; Borton, *op. cit.*, p. 57 *et seq.*; and *Shoku In Roku*, p. 3.

<sup>7</sup> See "Department of Welfare", *Tokyo Gazette*, no. 8, February 1938, p. 9 *et seq.*; Borton, *op. cit.*, p. 103.

<sup>8</sup> See Fahs, *op. cit.*, pp. 66 and 69.

ful. Since that time the I. R. A. A. has been the vehicle of outright military-party control. For example, it was influential in securing the election in April 1942 to the Lower House of the Diet and to the local assemblies of an overwhelmingly large majority of candidates "sponsored" by the Government.<sup>9</sup> At the meeting of the Central Cooperative Council of the I. R. A. A. in September 1942 its vice president, Mr. Aoki, described it as the pivot of all nationalistic activities.<sup>10</sup> Leading members of the Board of Advisers and of the Central Council are influential Government officials, and officers in the prefectural branches of the I. R. A. A. are also prefectural officials under appointment by the Home Ministry. Thus its influence spreads to all localities within Japan proper, and special Empire branches control its activities in Korea, Formosa, Karafuto, and the South Seas.

An important complementary organization is the Imperial Rule Assistance Political Society, which met first in May 1942 and which has as its purpose "to make the political structure strong enough to enable the country to march on to final victory in collaboration with the government and the I.R.A.A." The work of the I.R.A.P.S. is carried out through the General Affairs Bureau, the Systematization Bureau, the Asia Development Bureau, and the Central Training Institute, all of which are under the supervision of the secretary general.

It has always been difficult to define the jurisdictional limits of each of these organizations. It was announced on September 27, 1944, however, that the I.R.A.A. would henceforth be concerned "chiefly with measures to stabilize the people's livelihood and further the war effort through measures dealing with production". On the other hand the I.R.A.P.S. would effect "closer relationship between the Army and people, advise the government, and weigh the practicability of government-proposed measures to be applied throughout the Empire". Its central headquarters were to sponsor a new movement to stimulate increased production of munitions and food and to strengthen the defense of the homeland.<sup>11</sup> Neither of these organizations can be considered comparable to the Nazi Party in Germany; nevertheless, they have both been influential in forcing the people of Japan to accept governmental policy and in maintaining a high standard of morale.

The Army leaders, in their endeavor to control all activities within Japan, were not in a strong enough position by the end of 1941 to demand complete governmental control over management and production, which were spheres traditionally reserved to business monopolies. The old established business houses (*zaibatsu*) were not yet convinced of the necessity for complete state control; they refused to capitulate to the Army leaders. A compromise plan was developed whereby the larger industries were to be integrated into the national economy through the formation of Control Associations. By June 1942 Control Associations had been established, under the supervision of the Ministry of Commerce and Industry, for each important industry. The highest officials of these new associations were invariably selected from among the former heads of the leading cartels of the large business houses; therefore, the cooperation of business interests in the Government's plans was assured. Compulsory membership forced smaller concerns to fall in line with Government policy.

A close connection was maintained between the Cabinet Planning Board and the Control Associations. The program schedules of production in Japan proper, in colonies, and in occupied territories were first drawn up by the Cabinet Planning Board, and after their approval by the Cabinet they were transmitted to the Control Associations. The demands of the war for increased production resulted, however, in the various Control Associations' competing among themselves for raw materials and other supplies. The Government found it necessary to inaugurate far more complete and drastic reforms in the governmental structure.<sup>12</sup>

### B. Greater East Asia Ministry

The rapid advance of Japanese forces in the South Pacific in the meantime created problems of administration over wide areas. To cope with these problems a committee, dominated by Army

<sup>9</sup> *Times Advertiser*, Tokyo, May 20, 1942.

<sup>10</sup> Federal Broadcasting Intelligence Service of the Federal Communications Commission, *Radio Report on the Far East*, Aug. 24, 1942.

<sup>11</sup> *Ibid.*, Oct. 13, 1944.

<sup>12</sup> For a careful study of the organization of these Control Associations see H. P. Oshima, "Japan's New Economic Structure", *Pacific Affairs*, July 1942.

and Navy leaders and composed of bureaucrats in accord with their views, drafted ordinances for the creation of the Ministry of Greater East Asia and for the simplification of Japanese government administration in general. Early in September 1942 the Cabinet approved the creation of such a Ministry, and though the Privy Council devoted a month to deliberation on these ordinances it finally decided to approve them. On October 28, 1942 in the presence of the Emperor, the Cabinet and Privy Council approved, by a majority, the Greater East Asia Ministry Ordinance. The leaders of the military party, in order to assure their approval, obviously exerted strong pressure on the Privy Council and on the Throne.

The duties of the new Ministry include the administration of all business affairs except in Japan, Korea, Formosa, and Karafuto. With the formation of the new Ministry, the Manchurian Affairs Board, the China Affairs Board, and the Ministry of Overseas Affairs have been dissolved. Korea and Formosa are now directly under the supervision of the Home Minister; Karafuto has a separate local administration similar to that of Hokkaido. Moreover, matters pertaining specifically to other Ministries in Korea and Formosa, for instance finance and education, are to be supervised as in Japan proper directly by the Ministries concerned. The Foreign Ministry is practically excluded from participating in Greater East Asia affairs by the provision that its functions are limited to the supervision of the purely formal functions of the diplomats and consuls within Greater East Asia.

The Ministry of Greater East Asia is composed of five bureaus: The General Affairs Bureau has general supervision of the business of the Ministry; the Manchurian Affairs Board has absorbed the activities formerly performed by the Cabinet's Manchurian Affairs Board; the China Affairs Bureau has replaced the China Affairs Board of the Cabinet; and the Southern Affairs Bureau has responsibility for the control of affairs formerly performed by the Ministry of Overseas Affairs in southeastern Asia and in the South Seas.<sup>13</sup> More recently a Trade Bureau has been established to coordinate trade within Greater East Asia.

<sup>13</sup> For an account of the formation and functions of the Greater East Asia Ministry, see FBIS, *Radio Report*, Sept. 14, 1942 and Nov. 10, 1942.

<sup>14</sup> FBIS, *Daily Report*, Mar. 18, 1943.

By the formation of the Greater East Asia Ministry the Army deprived the Foreign Ministry of any power it might still have to challenge Army policy in occupied territories. It has set up its own administrative organization for these areas. The protection of Japanese overseas interests and the exploitation of resources in the conquered countries were finally and irrevocably taken from the hands of the bureaucrats and big business concerns and were placed under the military. Kazuo Aoki, formerly president of the Cabinet Planning Board, financial adviser to the Nanking government, and vice president of the Imperial Rule Assistance Association, was the first Minister of Greater East Asia. Although the liberation by Allied forces of areas under the supervision of the Greater East Asia Ministry will automatically reduce its importance, General Koiso probably has decided to amalgamate many of the functions of the Ministry with those of the Ministry of Foreign Affairs. The appointment of Foreign Minister Mamoru Shigemitsu concurrently as Minister of Greater East Asia seems to indicate such a possibility.

After the Army leaders had secured control over affairs in the occupied areas they attempted to rectify, from the point of view of a completely integrated wartime economy, the weaknesses and inefficiency in the system of Control Associations. In the Diet session in January 1943 the Tojo government presented what was known as the Extraordinary Wartime Administrative Authority To Act. After an extended debate and opposition from the vested business interests General Tojo succeeded in forcing the passage of this bill, which became effective from March 18, 1944. The dictatorial powers of the Premier were strengthened by giving him direction, whenever he deemed it necessary, over the expansion of production of key war materials such as iron, steel, coal, light metals, shipping, and airplanes. He was further empowered to execute "part of the duties of the state minister concerning labor, material, motive power and capital, or instruct other state ministers, to execute these duties".<sup>14</sup> Finally, all questions in connection with the enforcement of this act were to be decided by the Premier. To placate the fears of business interests and conservative political elements that Tojo was making himself a dictator, a Cabinet Advisory Council was established to assist the Premier. Influential political

and economic persons were appointed as Councilors to solicit their support for the Government.<sup>15</sup>

### III

#### COMPLETE AND DIRECT CONTROL BY THE MILITARY

Simultaneously with the concentration of power in the hands of Premier Tojo and the strengthening of the central Government, certain reforms became necessary in the administration of local government to assure the smooth operation of new national policies at the prefectural and lower levels. Conflicts had arisen concerning whether the enforcement of the numerous wartime measures was primarily the responsibility of the national Government or of the local prefectural governments. It was also important to eliminate duplication in carrying out Government policies, to create geographical units which would be as economically self-sufficient as possible, and to increase the production of war materials and armaments.

In order to achieve these ends Japan proper, including Okinawa Prefecture, the Kurile Islands, and Karafuto, was divided in July 1943 into nine Regional Administrative Districts. Each prefecture and the governments of Karafuto and Hokkaido were assigned to one of the nine districts, and in each district a Regional Administrative Council was established. The most important city in each district became the capital of the district. The Councils were composed of thirteen members. The president of the Council was concurrently the governor of the most important prefecture in the district. A nationally appointed councilor, who usually held an important position in the central Government, and the heads of the eleven bureaus of each of the Councils assisted the president. These bureaus covered such fields as customs, forestry, engineering, local fuel, communications, labor, finance, mining, maritime affairs, railways, and retailing. Through periodic meetings among the Councils, representatives from the various national ministries, and the prefectural governments, the president of each administrative district is able to enforce national policies in his region.

More recently the Councils have been given authority over many of the functions formerly performed by the Ministries in Tokyo which have now been transferred from the central Government to the prefectures or the Regional Districts. On the other hand some of the former duties of the

prefectures have been allocated to the Councils. While the exact relation between the prefectures and the nine Regional Administrative Districts is not clear, it is possible that the Regional Councils have now become more important than prefectural governments and that the Regional Districts, not the prefectures, are the real local governments.<sup>16</sup>

Even before the establishment of the Regional Administrative Districts and Councils, various attempts had been made to strengthen the prefectural governments and to make them more effective administrative units. For example, the city prefecture of Tokyo was abolished and the Tokyo prefectural and municipal administrations were combined into Tokyo To or Tokyo Metropolis. This new administrative unit was divided into eight bureaus: Public affairs, education, economics, planning, defense, transportation, flood defense, and harbors. Furthermore, the governor was appointed directly by the Emperor.<sup>17</sup>

In the other prefectures the old Bureaus of Home Affairs and Education were abolished and their functions, together with the many new functions resulting from the war, were performed by the newly formed Bureaus of General Affairs and Economics. Personnel were reduced as much as possible; those not needed in the prefectural government were allotted to the administrative offices in occupied territories.<sup>18</sup> The Home Minister was later given the authority to permit the prefectural governors to nominate the city mayors for election by the Municipal Assembly, after which they must receive imperial sanction before taking office. The prefectural governor has also been empowered to discharge town and village mayors even during their term of office, "if they are not qualified for the position."<sup>19</sup> Finally, in view of conditions which may arise as a result of bombings, the prefectural governments were given discretionary powers over activities which were formerly controlled by the Minister of Home Affairs,

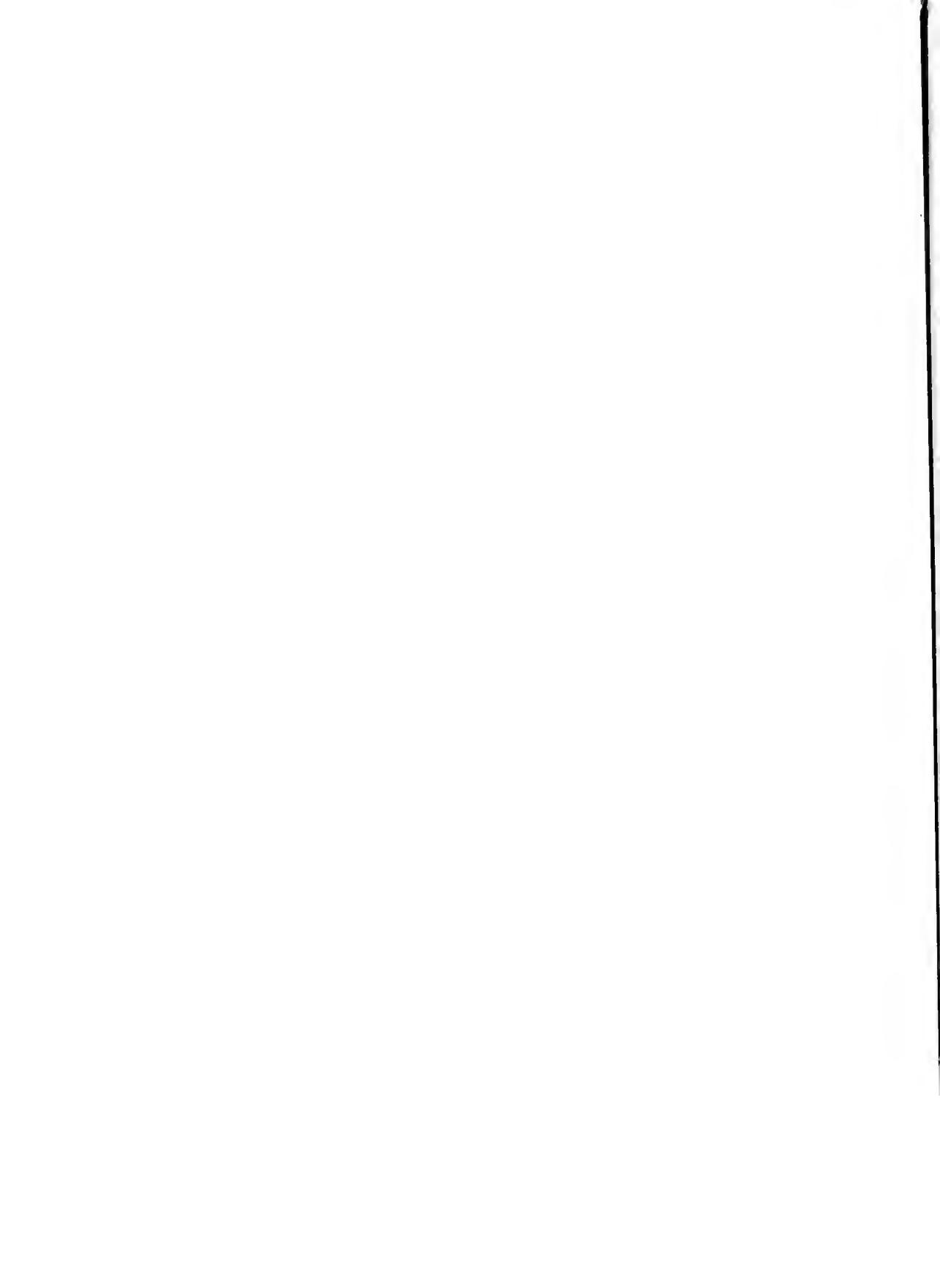
<sup>15</sup> For a detailed account of the provision of this article see FBIS, *Daily Report*, Mar. 18, 1943, also *Radio Report*, Mar. 15 and 30 and Apr. 24, 1943.

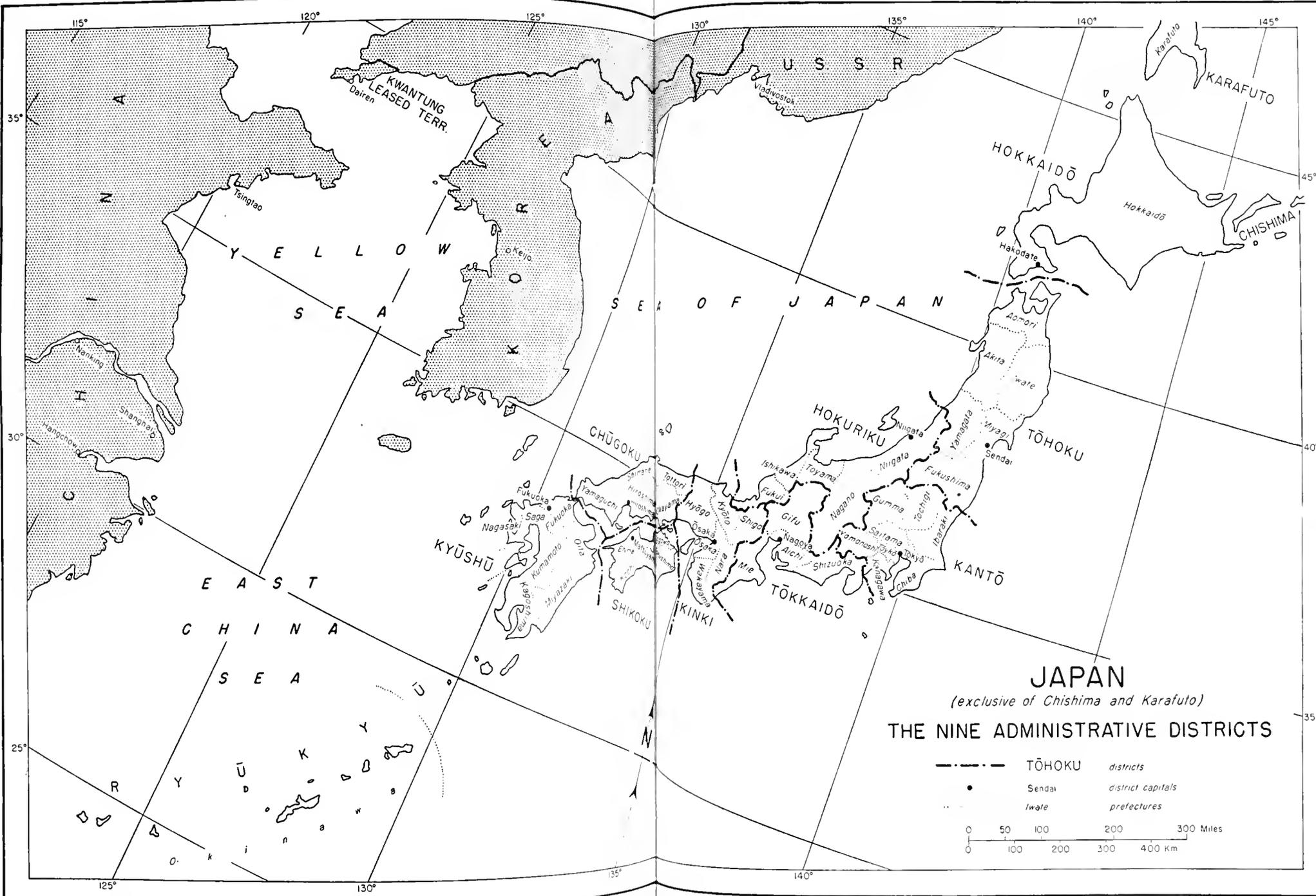
<sup>16</sup> For the extent of each of the regional districts, their names, and their capital city, see the map on p. 828. For accounts of the formation of the Regional Districts and Councils see FBIS, *Radio Report*, July 1 and 6, Oct. 20, and Nov. 3, 1943, and July 21, 1944.

<sup>17</sup> See *ibid.*, June 22, 1943.

<sup>18</sup> See *ibid.*, Aug. 21, 1942.

<sup>19</sup> *Ibid.*, Mar. 2 and Mar. 16, 1943.





**JAPAN**  
*(exclusive of Chishima and Karafuto)*  
**THE NINE ADMINISTRATIVE DISTRICTS**

---	TŌHOKU	districts
•	Sendai	district capitals
•	Iwate	prefectures

0 50 100 200 300 Miles  
 0 100 200 300 400 Km

such as the construction of bridges, the improvement of rivers, and the laying and repairs of gas and water mains. These changes, combined with the establishment of the Regional Administrative Districts, have made the local governments much more capable of carrying on their activities independently of the central authorities if military developments during the war make such action necessary.

The complete and direct control by the military of all phases of Japanese government and administration was finally achieved in November 1943 through the establishment of the Munitions Ministry and through the inauguration of wide-spread administrative changes within the Government. The Munitions Ministry was set up as the main organ of administration for the complete mobilization of Japanese production. The bill providing for the Ministry gave wide powers to the Government over all "munitions companies". Munitions companies were defined as "those companies that engage in enterprise necessary for sufficiency of arms, aircraft, warships and other war materials, and shall mean those designated by the government".<sup>20</sup> These companies were required to conform to the plans of the Government and were to be exempt from bans and restrictions previously imposed by law. In case of necessity the Government might guarantee assistance as well as profits to munitions companies; it might restrict or ban the companies from engaging in operations other than those designated by the Government; or it might force companies to amalgamate or to be dissolved. Each munitions company must select an official who is to be held responsible by the Government for meeting production schedules and other requirements.<sup>21</sup>

Under these powers the Ministry took over the functions of the Cabinet Planning Board, which was abolished, and it assumed most of the powers over war production formerly exercised by the other Ministries. It also absorbed the duties of the Control Associations. In short, the Munitions Ministry was to be the central control agency for national mobilization. In carrying out its work the Munitions Ministry controls the production of raw materials for key industries, estab-

lishes and allots production schedules, distributes minerals, electric power, and finished products, regulates capital, labor, and wages, and takes any action that is necessary to increase the production of war materials. In order to accomplish these tasks ten bureaus have been established in the Ministry. Perhaps the most important of these is the Total Mobilization Bureau which has charge of general planning and of the main problems of mobilization. Each of the other bureaus has charge of one of the following key industrial activities: Aircraft and ordnance, machinery, iron and steel, light metals, non-ferrous metals, chemicals, fuel, electric power, munitions, and mining.

From the information available concerning the operation of the Munitions Ministry it is apparent that the Ministry has coordinated the work of the Government far more than was possible heretofore. In securing an adequate labor supply for certain industries it has worked out plans in cooperation with the Labor Bureau of the Welfare Ministry. Allotments have then been made to the Regional Districts. The presidents of the Regional Councils have then been responsible for meeting the requirements of the Government. Furthermore, the new laws have contained penalties of sufficient severity to force recalcitrant business leaders, either individually or collectively, to follow the demands of the Government.

Wide-spread administrative changes in the national structure of the Government accompanied the establishment of the Munitions Ministry. Four old ministries were abolished and two new ones established. As already indicated, the powerful Cabinet Planning Board was abolished. Thirteen bureaus and six offices in the Cabinet as a whole were eliminated and were replaced by four bureaus and two offices; the fixed number of Government officials was reduced. The old Ministry of Commerce and Industry lost many of its wartime functions. The result was its amalgamation with the old Ministry of Agriculture and Forestry to form the Ministry of Agriculture and Commerce with the following functions:

"The Agriculture and Commerce Minister shall administer affairs concerning agricultural, forestry, and livestock products, textile industrial products, mainly other products supplied for the use of the people in daily livelihood, the price in general of goods produced, distributed and con-

<sup>20</sup> FBIS, Tokyo Domei in romanized Japanese, Oct. 17, 1943.

<sup>21</sup> *Ibid.*

sumed which are necessary for exclusive use of production of the foregoing, commercial transactions, weights and measures, and computation of measurements under the agricultural industry."<sup>22</sup>

According to the accompanying chart, the Ministry now seems to be composed of seven regular bureaus and the Promotion Increased Production Wartime Food Headquarters.<sup>23</sup>

The other two Ministries to be abolished were the Ministries of Communications and Railways, which were amalgamated into the Ministry of Transportation and Communications. Its functions were described as follows:

"The Transportation and Communications Minister shall administer affairs concerning land transportation (production of motor vehicles is excluded), sea transportation, harbor and ports, management of warehouses, air transportation (work concerning transfer of aircraft is excluded), weather reports, and communications."<sup>24</sup>

Two general bureaus were established to administer and operate the state railways and sea transportation, the former to be administered from nine regional headquarters. Seven additional bureaus were set up to perform the other functions of the Ministry.

Since the reorganization of the national governmental structure in November 1943, therefore, the Cabinet has been composed of the following twelve Ministries: Army, Navy, Foreign Affairs, Munitions, Home Affairs, Finance, Justice, Welfare, Education, Agriculture and Commerce, Transportation and Communications, and Greater East Asia Affairs. Certain important officials, such as the president of the Cabinet's Board of Information, are ministers without portfolio. Local affairs are administered through the 9 Regional Administrative Districts and the 43 regular prefectures, the 2 administrative offices of Hokkaido and Karafuto, the city prefectures of Osaka and Kyoto, and Tokyo Metropolis. These changes have enabled the militarists to enforce a policy of total mobilization. The rivalry which continued to exist between the militarists and big business during the period from 1937 to 1943 has now been largely eliminated, and the military are in a position to impose increasingly severe control measures over all phases of Japanese life.

Although the Tojo cabinet, which was responsible for the wide-spread changes in the Govern-

ment after 1941, fell in July 1944, the new Government of Premier Kuniaki Koiso has carried out the policies of the Tojo cabinet and has made no radical change in the administrative structure. The appointment of Navy Minister Yonai concurrently as Deputy Premier in the Koiso cabinet indicated a possible change in the Cabinet organization; however, Admiral Yonai's position does not seem to have been materially changed, and the position of Deputy Premier does not appear to be important. Another innovation has been the establishment in August 1944 of the Supreme Council for the Direction of War and the increasingly important role of the Parliamentary Vice Ministers and Councilors in the actual administration of Government affairs. The Supreme War Directing Council was created "to formulate a fundamental policy for directing the war and to adjust the harmonization of combined strategy for politics and war."<sup>25</sup> It was to act as the main coordinating body between the political and military branches of the Government and to help solve the differences of opinion between them. It is questionable how effective such a council has been, since it was announced on October 27, 1944 that a General Planning Board had been set up to take the place of the Cabinet Advisory Council (formed in March 1943) and "to establish stronger ties between the Cabinet and the Supreme Council for the Direction of War."<sup>26</sup> In an attempt to strengthen the collaboration between the Diet and the people, two "parliamentary representatives" have been attached to each Cabinet Ministry. One of these representatives is the "Parliamentary Vice Minister" of the Ministry concerned, and the other is a member of Parliament appointed as Councilor to the Ministry.

When General Koiso, or any Premier that may succeed him, is faced with mounting military and naval reverses, and as the hour of Japan's defeat fast approaches, numerous changes probably will

<sup>22</sup> FBIS, *Radio Report*, Nov. 10, 1943, p. AS.

<sup>23</sup> Since there have been constant shifts in the various bureaus of the Government since the outbreak of war in the Pacific, and since these shifts will doubtless continue, the chart of the structure of Japanese government may need revision in the near future. The purpose of this chart is to give a general picture of the Government as it operates rather than to present an all-inclusive picture.

<sup>24</sup> FBIS, *Radio Report*, Nov. 10, 1943, p. A9.

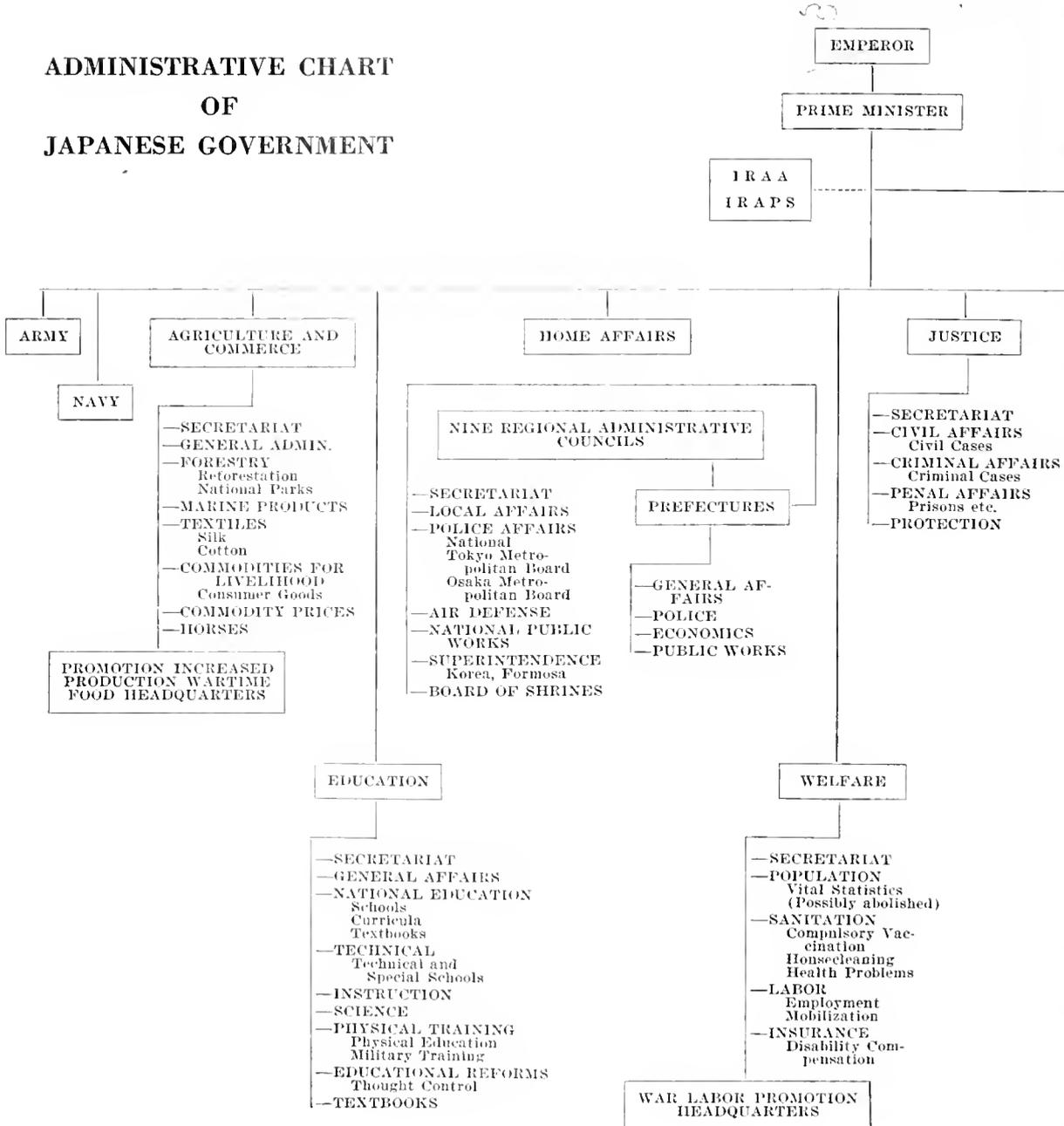
<sup>25</sup> *Ibid.*, Aug. 18, 1944.

<sup>26</sup> *Ibid.*, Nov. 10, 1944.

be made in the various advisory and coordinating boards and councils in an attempt to spread the responsibility for defeat over as many groups and

individuals as possible. Future changes would seem more likely in these policy-making groups than in the administrative units of government.

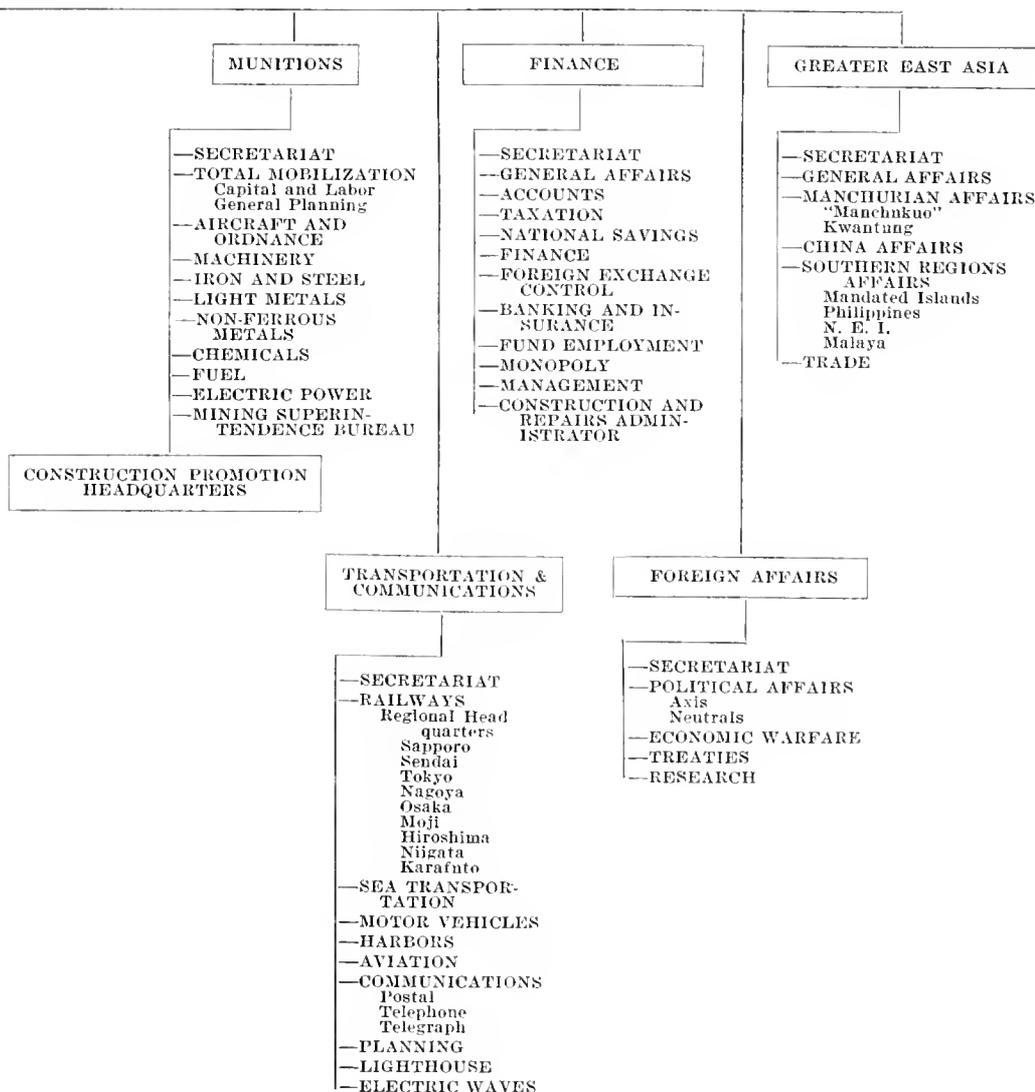
## ADMINISTRATIVE CHART OF JAPANESE GOVERNMENT



The Government structure as it is now constituted allows for a maximum of control at a minimum of duplication of effort, and any radical change that

may be made in the face of defeat can do little more than is being done by the present Cabinet to increase Japan's war potential.

CABINET BOARDS  
 Supreme War Directing Council  
 Secretariat  
 Board of Information (Censorship, Radio and Amusements)  
 Legislative Bureau  
 Board of Technology  
 Pension Board  
 Board of Statistics



CONSTRUCTION PROMOTION HEADQUARTERS

# Reorganization of the Department of State

## STATEMENT BY THE SECRETARY OF STATE

[Released to the press December 20]

I should like to emphasize again the statement that was made in the Department's press release of January 15, 1944 announcing the basic reorganization undertaken at that time, namely, that the Department did not regard that new organization chart and departmental order as the final answer to all administrative problems of the Department of State. In the same sense these further changes which are now undertaken should not be considered as a final answer to the Department's needs.

The appointment of two additional Assistant Secretaries of State marks a definite further improvement in the Department's organization. I am gratified by the approval which Congress has given to this step and by the Senate's confirmation of the President's new appointments.

Further improvements which will require additional executive personnel and increased appropriations still remain before us. Considerable progress has been made during the past year. During that period 190 executives were added to the Department's rolls. This represented a considerable infusion of new blood into the Department's relatively small organization. At the high level 5 of 12 new Directors of Offices have been named since the beginning of the year and 20 new Chiefs of Divisions have been appointed either from civil life or by selection from the ranks of the Department of State or the Foreign Service. Eighty-eight Assistant or Associate Chiefs of Divisions have been designated since the beginning of the year and are now on duty.

The reorganization of the Department of State which was effective on December 20, 1944 (Departmental Order 1301, dated Dec. 20, 1944), departmental designations which were effective on December 20, 1944 (Departmental Designation 106, dated Dec. 20, 1944), and a summary of changes (press release 653 of Dec. 20, 1944) are printed in a supplement to the BULLETIN of December 17, 1944.

The Department of State must be effective in every respect including efficient administration. No stone will be left unturned to make the Department strong and fully equipped to discharge its responsibilities in the future. Vigorous, alert, and forward-looking leadership in the conduct of its foreign relations by our Government is more essential now than at any time in our history.

## MAJOR OBJECTIVES OF UNITED STATES FOREIGN POLICY

[Released to the press December 21]

A meeting at Constitution Hall was held on December 21 for the purpose of presenting to the employees of the Department the new Under Secretary and Assistant Secretaries of State. The Secretary of State presided at the meeting and presented the newly appointed officials.

The following remarks were made by the Secretary:

"I believe this is the first time that the entire staff and personnel of the Department of State have ever met together. I have asked you to come here this morning to meet with the new Under Secretary and our Assistant Secretaries of State, and to say just a word to you about the reorganization of the Department and the big job we have ahead.

"When I introduced the new Under Secretary and the Assistant Secretaries to the Senate Foreign Relations Committee last week, I spoke of them as a team. I used that word advisedly and it applies not only to them but to every one of you in the Department and the Foreign Service. You and I have had the privilege of working together under one of the truly great statesmen and humanitarians of our time, Mr. Cordell Hull. Mr. Hull has asked me to express his appreciation to you for your loyalty and support of him and to the work of the Department in the past. On my own behalf, I want to tell you personally that I value highly the contributions each of you has made and will continue to make in the work of the Department.

"In my statement to the Senate Foreign Relations Committee I set forth very briefly five continuing

major objectives of our foreign policy. I am going to restate them to you now because I want you to remember them always in your work in the Department and because of the very heavy responsibility that rests with you and with me in seeing to it that these objectives are attained.

“Our objectives are:

“First, the fullest possible support in the conduct of our foreign relations for our armed forces so that the war may be won at the earliest possible moment.

“Second, effective steps to prevent Germany and Japan, after victory by the United Nations, from again acquiring the power to wage aggressive war.

“Third, establishment at the earliest possible moment of a United Nations Organization capable of building and maintaining the peace—by force if necessary—for generations to come.

“Fourth, agreement on measures to promote a great expansion of our foreign trade and of productiveness and trade throughout the world, so that we can maintain full employment in our own country and—together with the other United Nations—enter an era of constantly expanding production and consumption and of rising standards of living.

“Finally, encouragement of all those conditions of international life favorable to the development by men and women everywhere of the institutions of a free and democratic way of life in accordance with their own customs and desires.

“It is our task to make possible, under the President’s direction, the achievement of these objectives. It is a tremendous job. It will require the strongest possible Department of State. We have a job to do entirely comparable in the magnitude of its responsibilities with the job of the War and Navy Departments. Just as they are waging war, we must wage peace. This task in the coming year and in the years following will demand the utmost of each of us in leadership, intelligence, courage, administrative ability, and plain hard work.

“There are battles to be fought on the fronts of peace every day around the world and winning them is in a very real sense as urgent and as important to the future of our country as winning the battles of this war. I want you to keep always uppermost in your minds that sense of urgency—that sense of responsibility to the men and women

in our armed forces, and to the people at home and to our children.

“The purpose of the reorganization of the Department, which has been under way during the past year and has now been carried further, is so to organize the Department that it can carry out its responsibilities with both vision and the greatest possible efficiency and dispatch. These structural changes, however, will not of themselves bring about the realization of the objective I have in mind. It is only through the performance of all of you as individuals that any organizational framework, however efficient in its form, can be made to work in fact. Each of you is individually responsible for making the Department what it must be.

“In order to carry out the greater tasks ahead, we shall need a larger Department of State as well as a more efficient one. That will mean new opportunities for advancement. We shall also bring in from outside additional able and qualified men and women to work with you in these tasks. Our common aim should be to make the Department of State stand out among all the Departments and agencies of this Government for the vigor, alertness, and effectiveness with which it looks ahead and handles its day-to-day operations. I am confident that I can depend upon each one of you.

“You have all read the new Departmental Order and you know the difficult responsibilities that have been assigned to each of the officers of the Department. . . .”

## Death of Carlos Concha

[Released to the press December 18]

On December 18 the Secretary of State sent the following message to His Excellency Dr. Manuel C. Gallagher, Minister for Foreign Affairs of the Republic of Peru:

“I have learned with the deepest regret of the untimely death in Lima yesterday of Senator Carlos Concha. An eminent statesman, who served his country with distinction as diplomat, Minister for Foreign Affairs, and as its representative at various inter-American meetings, Dr. Concha was distinguished for his labors on behalf of inter-American solidarity. I associate myself in mourning his loss.”

# United States Policy Toward Poland

Statement by THE SECRETARY OF STATE

[Released to the press December 18]

The United States Government's position as regards Poland has been steadfastly guided by full understanding and sympathy for the interests of the Polish people.<sup>1</sup> This position has been communicated on previous occasions to the interested governments, including the Government of Poland. It may be summarized as follows:

1. The United States Government stands unequivocally for a strong, free, and independent Polish state with the untrammelled right of the Polish people to order their internal existence as they see fit.

2. It has been the consistently held policy of the United States Government that questions relating to boundaries should be left in abeyance until the termination of hostilities. As Secretary Hull stated in his address of April 9, 1944, "This does not mean that certain questions may not and should not in the meantime be settled by friendly conference and agreement." In the case of the future frontiers of Poland, if a mutual agreement is reached by the United Nations directly concerned, this Government would have no objection to such an agreement which could make an essential contribution to the prosecution of the war against the common enemy. If, as a result of such agreement, the Government and people of Poland decide that it would be in the interests of the Polish state to transfer national groups, the United States Government in cooperation with other governments will assist Poland, in so far as practicable, in such transfers. The United States Government continues to adhere to its traditional policy of declining to give guarantees for any specific frontiers. The United States Government is working for the establishment of a world security organization through which the United States together with other member states would assume responsibility for the preservation of general security.

3. It is the announced aim of the United States Government, subject to legislative authority, to assist the countries liberated from the enemy in repairing the devastation of war and thus to bring

to their peoples the opportunity to join as full partners in the task of building a more prosperous and secure life for all men and women. This applies to Poland as well as the other United Nations.

The policy of the United States Government regarding Poland outlined above has as its objective the attainment of the announced basic principles of United States foreign policy.

## Ratification of Double-Taxation Convention and Protocol With France

[Released to the press December 18]

On December 15, 1944 the President ratified the convention and protocol between the United States of America and France, signed at Paris on July 25, 1939<sup>2</sup> for the avoidance of double taxation and the establishment of rules of reciprocal administrative assistance in the case of income and other taxes.

The Senate on December 6, 1944 advised and consented to the ratification of the convention and protocol.

According to the information in the Department of State the President of the French Republic on July 29, 1939, in conformity with French law, signed a decree by which he ratified the convention and protocol.

It is provided in article 27 of the convention that it shall become effective on the first day of January following the exchange of the instruments of ratification. It is provided also that upon the coming into effect of this convention, the convention for the avoidance of double-income taxation between the United States of America and France, signed April 27, 1932, shall terminate.<sup>3</sup>

The protocol accompanying the convention, and forming an integral part thereof, consists in general of definitions of terms found in the convention or provisions incident to administration of the convention.

(Continued on page 840)

<sup>1</sup> BULLETIN of Oct. 15, 1944, p. 428.

<sup>2</sup> BULLETIN of July 29, 1939, p. 86.

<sup>3</sup> Treaty Series 888.

# Presentation of Letters of Credence

## AMBASSADOR OF CUBA

[Released to the press December 20]

A translation of the remarks of the newly appointed Ambassador of Cuba, Señor Dr. Don Guillermo Belt, upon the occasion of the presentation of his letters of credence, December 20, 1944, follows:

**MR. PRESIDENT:** I have the honor to place in Your Excellency's hands the letter which accredits me as Ambassador Extraordinary and Plenipotentiary of Cuba before the Government of the United States of America and the letter of recall of my distinguished predecessor, Dr. Aurelio Fernandez Concheso.

Permit me on this very propitious occasion to emphasize the favorable circumstances which appear to link in one destiny the life of Cuba and that of the United States.

Providence willed that our two countries should be not neighbors only but also excellent friends. It put us near each other in space and joined us closely through the years. Our friendship began when, in those distant days of the struggle of the Thirteen Colonies to win their liberty and independence, three expeditions composed of Cubans disembarked in Florida and shed their blood, which flowed with that of the Americans on the same field of battle where a contest was being waged for the common ideal of liberty.

Years later your people helped ours decisively in the conquest of its independence. I do not need to recall the Joint Resolution, the naval battle of Santiago de Cuba or the taking of San Juan Hill.

Such a friendship, based on common ideals and on recollections of gratitude and sentiments of mutual attachment, cannot but be eternal. For this reason we can affirm without any exaggeration whatever that we feel your joys and your sorrows to be our own.

Circumstances so favorable, together with the fortunate fact that the incumbent Presidents of Cuba and the United States are genuine representatives of the will of their peoples, make me feel certain that the understanding between our two peoples will continue to be as vigorous as it has been up to the present time.

I am infinitely pleased to have the honor of having been appointed Ambassador of Cuba to a country which is so united to mine by an indestructible friendship and for which I shall always have the most sincere feeling of cordiality, and I dare to hope that Your Excellency's good will toward me personally will facilitate my high mission.

In the name of the President of Cuba and in my own I wish to express my sincerest wishes for the happiness of the great American people and for Your Excellency's personal welfare.

The President's reply to the remarks of Señor Dr. Don Guillermo Belt follows:

**MR. AMBASSADOR:** It is with sincere pleasure that I accept the letter accrediting you as Ambassador Extraordinary and Plenipotentiary of the Republic of Cuba. I accept also the letter of recall of your distinguished predecessor, Dr. Aurelio Fernandez Concheso.

Your recollections of the forces which have so closely united the peoples and destinies of the United States and Cuba strike a warm response. Through the years the relations of the two countries have become more and more firmly linked in friendship until, as you so accurately point out, our joys and our sorrows are shared together.

This feeling of fellowship and mutual helpfulness has not faltered nor diminished with passing time; indeed it is reaching its fullest development in these difficult days when free nations are fighting with unwavering determination for ultimate victory. The combined efforts and cooperation of all free peoples are necessary in the achievement of total victory and the contribution of the Cuban people is most significant now, as it will also be during later days after hostilities cease. Then, as never before, will the nations of the world feel the need of complete understanding and cooperation in order to bring about a lasting and equitable peace.

I am happy to welcome you again to Washington. I recall with pleasure our previous meeting which took place during the visit here of your distinguished President, Dr. Grau San Martín, before his inauguration. His visit afforded me and

my associates a welcome opportunity to become acquainted with Cuba's problems and with your President, an outstanding leader chosen by the Cuban people to guide their future. Please convey to him my cordial good wishes.

### AMBASSADOR OF BOLIVIA

[Released to the press December 20]

A translation of the remarks of the newly appointed Ambassador of Bolivia, Señor Don Victor Andrade, upon the occasion of the presentation of his letters of credence, December 20, 1944, follows:

MR. PRESIDENT: I have the high honor to present to Your Excellency the letters of recall of my illustrious predecessor, Mr. Luis Fernando Guachalla, and the letters of credence which accredit me as Ambassador Extraordinary and Plenipotentiary of Bolivia before Your Excellency's Government.

The war, which is waged with so many sacrifices by the United Nations—of which my country is one—against the Axis powers, has entered upon a stage in which victory is an indubitable fact. Nevertheless, efforts and sacrifices of the collectivities loving freedom and right are still essential for its culmination. My country, which sincerely and resolutely threw in its lot with the democracies, even at that dark period when the Nazi-Fascist military power seemed to sweep away the bases of civilization, is ready to unite all its efforts in order to accelerate the course of victory and lay the foundations for the harmonious co-existence of peoples in an atmosphere of peace and mutual respect, which will make possible the march of humanity along the ways of progress and happiness, which we all long for.

This is why, Mr. President, we followed the course of the Dumbarton Oaks discussions with deep interest, and are giving our most attentive and careful study to the proposals in order to contribute, to the fullest measure of our abilities, to the attainment of the ideal of collective peace and security.

Bolivia is a country which fought 15 years for its independence and one which, through its troubled republican history, has shown that it could repudiate all systems of government aimed at oppressing the people or in restricting its essen-

I assure you that the officials of the American Government are ready to help you in every possible way to perform your duties as Ambassador, and I hope that you will find your stay here pleasant in every respect.

tial liberties. The Government of President Gualberto Villarroel has come forth in response to an anguished desire of the masses to obtain the freedoms which Your Excellency announced as the apostle of a new message intended to open on the horizon of humble men a promise of redemption and love. Various historical factors have kept my nation prostrate. Heir of a millenary culture, the remains of the civilization which one day flourished on the plateau of the Andes are now presented before the world as ruins of men and temples which according to appearances will wait impassively until time covers them with the patina of oblivion and neglect. But, Mr. President, this war in which a happy and generous nation such as that of the United States which pours, in defense of the freedom of the world, the finest of its youth into the destructive holocaust of battles, has made the forgotten masses understand that nobility and the spirit of solidarity have not perished from the earth. As representative of that nation, I come, then, with the certainty that the traditional nobility of the sons of this land will understand our problems and will cooperate with us in beginning a task of recuperation of our human capital and of reconstruction of our economy. We do not wish to constitute a burden to our brothers of the continent; on the contrary, we seek the education of our people and the development of our potential wealth in order to place them in harmony with, and in the service of, the progress of humanity.

The wise and noble good-neighbor policy initiated by Your Excellency is an historical event in the relations of the American peoples, the maturity of which permits the affirmation that the community of American nations is established on firm and indestructible bases. My country desires only to cooperate in the consolidation of this system of harmonious living among peoples because, in the last analysis, it means mutual respect between nations both large and small, offering to all the same opportunity for fulfilling their destiny.

It is for me an unforgettable honor to have the opportunity to be the bearer of the wishes formulated by the people and the President of the Republic of Bolivia for the prosperity of the great Nation of the United States of America, and of the best wishes for the health and well-being of Your Excellency.

For my part, I must declare that among the ideals which I have cherished since childhood has been that of living in this magnificent country and adding my modest contribution toward a better and closer understanding with mine. I now do so, having the further honor to express to Your Excellency my best wishes and the assurance of my great personal admiration.

The President's reply to the remarks of Señor Don Victor Andrade follows:

MR. AMBASSADOR: I take pleasure in receiving from Your Excellency the letter of credence that accredits you as Ambassador Extraordinary and Plenipotentiary of Bolivia, and to accord you recognition in that capacity. I extend to you a most cordial personal welcome and my best wishes that you may find your stay among us a happy one, at the same time that I receive from you the letter of recall of your distinguished predecessor, Señor Don Luis F. Guachalla.

You come at a time when our two republics are joined in a triumphant struggle to overmaster the evil forces of the Axis. Your Excellency's reference to Bolivia's determination to bear her full part in that common struggle is a source of inspiration. I fully agree that the victory toward which we are advancing depends for its attainment on the continued joint exertion of our utmost efforts. Your country, constantly sustained in spirit by the high ideals that it strives with the other United Nations to realize, has demonstrated that it cannot be swayed in its course by any consideration of the force at the disposal of the enemy, which at one time seemed overwhelming, or by the temptation to reap advantage from compromise.

Bolivia and the United States, as you have just assured me, share together the common longing of the democracies for a world in which peace shall be based on justice and shall provide the setting for a wholesome continuance of human progress. Our policy and our action looks beyond the attainment of military victory toward the achievement of such a peace. For that reason, your reference to the Dumbarton Oaks Conversations is especially time-

ly. I am heartened that our good neighbor and ally Bolivia will contribute to the fullest possible extent to the solution of the post-war problems that our nations are now endeavoring to work out by means of a continuing interchange of views. I am sure that the statesmanship of Bolivia will contribute its full share to our common wisdom in meeting these problems.

Bolivia, like the other democracies, has in recent times been profoundly stirred by the aspiration to assure a free society in which the few shall not benefit at the expense of the many and in which the good things of life shall be available to all. I am glad to know that the Government of Bolivia, under the leadership of your distinguished President, came into being and stands today as an expression of this democratic aspiration. We in the United States understand the many problems which Bolivia must solve in order to realize these aspirations. The United States has faced similar problems in the period of its development and knows the difficulties involved in their solution. Let me assure you that to this end Bolivia will find the United States extending the hand of friendship.

The American republics are firm in their conviction that the democratic aspirations of their peoples can bear fruit only in an atmosphere of harmonious collaboration. Bolivia is one of the pillars on which that inter-American collaboration is built. I am confident, the more so because of the sentiments you have just expressed, that in the years to come the relations between our two countries will continue to reflect our mutual devotion to the principles of the good-neighbor policy.

I am warmly moved, Mr. Ambassador, by the good wishes of the people and of the President of the Republic of Bolivia that you have kindly conveyed. Please convey to His Excellency, the President of Bolivia, on behalf of the people of the United States and on my own behalf, the most cordial appreciation and reciprocal good wishes. To these I add my own personal wishes for His Excellency's health and well-being.

You will find on the part of all the members of this Government an eager disposition to facilitate in every way the work of your mission. You are very welcome, not only as the Ambassador of a great and friendly neighbor, but also because of your distinguished personal reputation, which has preceded you.

## THE FOREIGN SERVICE

### Confirmation

On December 19, 1944 the Senate confirmed the nomination of Laurence A. Steinhardt as American Ambassador near the Government of Czechoslovakia now established in London.

## THE DEPARTMENT

### Confirmations

On December 19, 1944 the Senate confirmed the nomination of Joseph C. Grew as Under Secretary of State and the nominations of W. L. Clayton, James C. Dunn, Julius C. Holmes, Archibald MacLeish, and Nelson A. Rockefeller as Assistant Secretaries of State. With the exception of Mr. Holmes, they took their oaths of office on December 20.

## PUBLICATIONS

### DEPARTMENT OF STATE

Dumbarton Oaks Documents on International Organization Together With Chart and Questions and Answers. Conference Series 60. Publication 2223. 24 pp. 5¢.

### CONGRESS

Nominations—Department of State: Hearings Before the Committee on Foreign Relations, United States Senate, 78th Cong., 2d sess., on the Nominations of: Joseph C. Grew, of New Hampshire, to be Under Secretary of State; Nelson A. Rockefeller, of New York, to be an Assistant Secretary of State; W. L. Clayton, of Texas, to be an Assistant Secretary of State; Archibald MacLeish, of Virginia, to be an Assistant Secretary of State; Brig. Gen. Julius C. Holmes, United States Army, of Kansas, to be an Assistant Secretary of State; James C. Dunn, of New York, to be an Assistant Secretary of State. December 12 and 13, 1944. iii, 94 pp.

Investigation of Civilian Employment: Report of the Committee on the Civil Service, House of Representatives, 78th Cong., 1st and 2d sess., pursuant to H. Res. 16, a Resolution To Authorize the Committee on the Civil Service To Investigate Various Activities in the Departments and Agencies of the Government. H. Rept. 2084. v, 17 pp. [State Department, p. 9.]

### CONVENTION—Continued from page 836.

The provisions of the convention are designed to eliminate or avoid double taxation affecting income, to facilitate the exchange of information and mutual cooperation in the collection of taxes to which the convention relates, and to correct certain defects or inadequacies in the existing convention of 1932.

## Ratification of Double-Taxation Convention With Canada

[Released to the press December 21]

On December 21, 1944 the President ratified, on the part of the United States of America, the convention between the United States of America and Canada, signed at Ottawa on June 8, 1944, for the avoidance of double taxation and the prevention of fiscal evasion in the case of estate taxes and succession duties.<sup>1</sup>

The Senate on December 6, 1944 advised and consented to the ratification of the convention.

It is provided in article XIV that upon the exchange of instruments of ratification the convention shall be deemed to have come into force on June 14, 1941.

## LEGISLATION

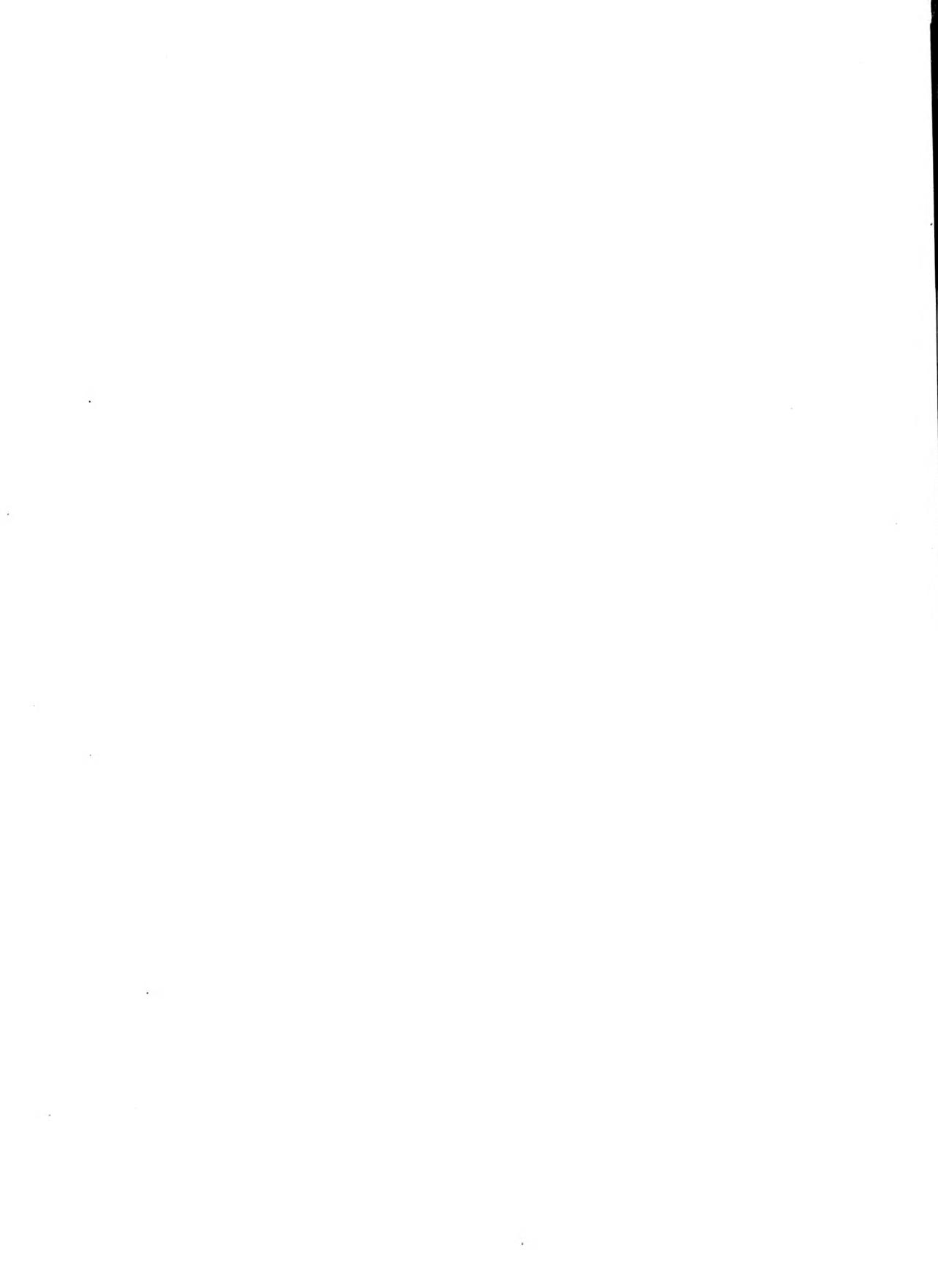
Amendment to the Constitution With Respect to Treaty Ratification. H. Rept. 2061, 78th Cong., on H. J. Res. 320. 10 pp. [Favorable report.]

First Supplemental Appropriation Act, 1945. H. Rept. 2087, 78th Cong., on H. R. 5587. 16 pp.

Disposition of Records—Sundry Government Departments. H. Rept. 2069, 78th Cong., 2 pp. [State Department, p. 1.]

<sup>1</sup> BULLETIN of June 10, 1944, p. 543.





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# THE DEPARTMENT OF STATE BULLETIN

VOL. XI, NO. 288

DECEMBER 31, 1914

*In this issue*

THE CHICAGO AIR CONFERENCE

*Article by Joe D. Walstrom*



# BULLETIN



December 31, 1944

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Research and Publication, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.*

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# The Chicago Air Conference

By JOE D. WALSTROM<sup>1</sup>

REPRESENTATIVES of over fifty nations, the largest number participating in any world conference in recent years, attended from November 1 to December 7, 1944,<sup>2</sup> the International Civil Aviation Conference at Chicago. The United States had held prior discussions with other governments which had indicated the desirability of holding such a conference as soon as practicable.

These exploratory conversations with other countries<sup>3</sup> on the general subject of international civil aviation had demonstrated that there was substantial agreement on such matters as the right of transit, the granting of international operating rights on a non-exclusive basis, the application of cabotage to air traffic, the use of airports and facilities on a non-discriminatory basis, the need for uniform operating and safety standards, and the desirability of standardizing and coordinating air-navigation aids and communications facilities. It was also conceded that some form of central organization would be desirable in guiding the development of international aviation, although there was diversity of opinion as to whether this international body should have the power to allocate routes and to regulate other economic phases of air transportation.

The progress of the war also had emphasized the necessity for reaching some international agreement on these matters, in order that civil air transportation could play its full part in rehabilitating the liberated countries and in restoring peaceful commerce to all parts of the world, without being held up by lengthy negotiations and inadequate preparations.

The final act of the Conference signed on December 7, 1944 includes the following documents: A general air-navigation and air-transport convention, together with comprehensive annexes on 12 different technical subjects; an agreement setting up an interim organization to function until the organization provided for in the over-all convention is established; a multilateral agreement granting transit rights; a multilateral agreement granting commercial entry as well as transit rights; and various resolutions on other aspects of aviation.

The work of the Chicago Conference may be evaluated by comparing the aforementioned documents with existent arrangements on international aviation.

## The General Air Convention

The Paris convention of 1919 has been generally regarded as the principal international convention governing air navigation.<sup>4</sup> Although it grants the right of transit or innocent passage, this right has been applied only to private flights. Permits for international airline operations have had to be negotiated separately, usually on a bilateral basis. Under the Paris convention the International Commission for Air Navigation,<sup>5</sup> generally known as CINA, was established. This Commission administered certain provisions of the convention and had jurisdiction over the technical annexes.

The Habana convention of 1928<sup>6</sup> is somewhat similar to the Paris convention in that it enunciates the doctrine of sovereignty over airspace, the right of innocent passage for private flights, and equal treatment in the use of airports. It has, however, no annexes relating to technical subjects; nor does it establish an administrative organization similar to CINA.

Before the present war 34 countries were parties to the Paris convention; membership included 5 countries in the Western Hemisphere, but not the United States. The Habana convention was ratified by the United States and 10 other countries, all in this hemisphere.

Three proposals for a new international air convention were submitted at the Chicago Conference.

<sup>1</sup> Mr. Walstrom, Assistant Chief of the Aviation Division, Office of Transportation and Communications, Department of State, was Secretary to the American Delegation at the International Civil Aviation Conference.

<sup>2</sup> BULLETIN of Nov. 5, 1944, p. 529.

<sup>3</sup> BULLETIN of Apr. 1, 1944, p. 301, and May 27, 1944, p. 496.

<sup>4</sup> *International Convention Relating to the Regulation of Aerial Navigation* (Department of State publication 2143).

<sup>5</sup> Commission Internationale de Navigation Aérienne.

<sup>6</sup> Treaty Series 840.

The Canadian draft related primarily to air transport; it provided for an international body which would allocate routes, determine frequency of service, control rates, and govern other phases of international flying. The British proposal was similar to the Canadian. The United States draft placed most of the emphasis on air navigation. It also provided for an international body to have jurisdiction over technical matters and to correlate data on air transport, but not to have definitive authority over the establishment and operation of airlines.

The draft convention finally adopted at the Conference is an amalgam of these three proposals. It covers the air-navigation, the air-transport, and the technical fields; it sets up an International Civil Aviation Organization. The latter consists of an assembly of all nations accepting the convention, as well as a 21-member council which will have advisory and technical functions but which is not empowered to regulate the economic phases of air transport.

#### The Technical Annexes

One of the major accomplishments of the Conference was the drafting of technical annexes which are to be a part of the general convention after they have received further study. These annexes deal with such subjects as rules of the air, airways systems, communications procedures, traffic control, airworthiness requirements, licensing of personnel, aircraft registration, weather reporting, maps and charts, log books, customs procedures, and investigation of accidents. Up to the present time there has never been world-wide acceptance of practices in these technical fields, although the annexes to the Paris convention were followed by some countries. The technical annexes drafted at Chicago take into account the recent developments in the art of flying; they will enable aircraft to fly all over the world following signals and practices which will be understood everywhere.

#### Interim Agreement

Since the general convention is intended to be in treaty form and therefore may require some time to be ratified by the interested countries, some sort of temporary arrangement which could become operative within the near future was thought desirable. The Conference, therefore, drafted an interim agreement setting up a provisional Inter-

national Civil Aviation Organization, with Canada selected as the headquarters. Following the pattern of the permanent convention, there will be an interim assembly of all nations accepting the interim agreement, as well as a 21-member interim council. The interim agreement comes into force when it has been accepted by 26 nations. Its provisional organization will undertake a large number of the functions covered by the permanent convention until such time as the permanent organization comes into being. Subsidiary working committees will be formed to study and make recommendations on topics initiated at the Chicago Conference, with a view to putting them into final form for the permanent convention and organization.

#### Air-Transit and Air-Transport Agreements

The International Air Services Transit Agreement and the International Air Transport Agreement have been referred to respectively as the Two Freedoms and Five Freedoms documents. The following background will give an appreciation of their significance.

Neither the Paris nor the Habana conventions, it will be recalled, granted rights of transit or commercial entry to scheduled airline services. Such rights, therefore, have had to be negotiated with individual countries. This system was far from perfect: it encouraged power politics, secret bargaining, and discriminatory treatment. Some countries endeavored to extort an unreal value in respect to their geographic positions. Negotiations generally were protracted, but they were not always productive.

During the first part of 1944 the Canadian Government offered for consideration a draft international air-transport convention which, in modified form, was the Canadian proposal at the Conference. This draft provided that member states would grant the following so-called Four Freedoms: (1) the right of innocent passage;<sup>7</sup> (2) the right to land for non-traffic purposes (refueling, repair, emergency); (3) the right to carry traffic from the country whose nationality the aircraft possesses to other countries; and (4) the right to carry traffic from such other countries back to the country whose nationality the aircraft possesses.

<sup>7</sup> See article by Stephen Latchford, "The Right of Innocent Passage in International Civil Air-Navigation Agreements", BULLETIN of July 2, 1944, p. 19.

The multilateral grant of these Four Freedoms would have represented a substantial advance towards general "freedom of the air", but it made no specific provision for traffic between intermediate countries. Its inadequacy can be illustrated by the hypothetical case of a United States airline between this country and Chile. Under the Third Freedom, a plane landing at Miami could discharge traffic in Panama, Colombia, Ecuador, Peru, and Chile; under the Fourth Freedom, traffic could be picked up in those countries on the return trip to the United States. However, when passengers on the south-bound trip got off in Panama or Colombia, for example, their seats could not be filled by other passengers embarking in those countries for further sectors of the route, with the result that the plane would arrive in Chile with a large number of empty seats. Conversely, on the homeward-bound trip the plane would not be able to pick up passengers, for example, in Chile or Peru for any point this side of the United States, so that in all probability the plane would not begin to fill up before the last stages of its homeward-bound trip.

The strict application of these Third and Fourth Freedoms not only would cause uneconomical and inefficient operation, leading to increased subsidy payments, but also would deprive the intermediate countries along the route of the full benefits of air transportation. Therefore, the United States Delegation proposed the addition of a so-called Fifth Freedom which would allow international airlines to carry traffic between intermediate countries, in line with the prevailing practice in other forms of international transportation.

Nevertheless, some delegations at the Conference were not prepared to subscribe to the Five Freedoms in their entirety. A great deal of time and effort was spent in an endeavor to reconcile the conflicting views. When it became apparent that the inclusion of all five Freedoms in the general convention or interim agreement would prejudice a wide acceptance of these documents, provision was made for dealing with the problem in separate multilateral agreements: one granting the first two Freedoms only (transit and non-traffic stop), and the other granting all five (including full commercial rights). Under the latter agreement a country may "reserve out" of the Fifth Freedom (intermediate traffic) if it believes that its aviation interests may be served better by not granting or by not receiving this right.

## France To Sign Declaration By United Nations

[Released to the press December 28]

The Department of State announced on December 28 that France would sign the Declaration by United Nations in the Department of State building on the afternoon of January 1, 1945, in the presence of representatives of the United Nations.

At present the Two Freedoms document has been signed by representatives of 27 countries, and the Five Freedoms document by 16. The countries which have signed the Two Freedoms agreement and the additional countries expected to sign in the near future will make it possible for an airline to fly to most parts of the world under transit rights conferred by the Two Freedoms countries. This multilateral grant of transit rights alone does not permit an airline to pick up and discharge traffic all along the route. An airline can pick up and discharge traffic, however, in all countries signing the Five Freedoms document, as well as in other countries which have granted appropriate landing rights through bilateral or other special arrangements.

The automatic granting of transit and commercial rights by means of the Two and Five Freedoms, respectively, represents a tremendous advance when one considers that heretofore it has been necessary to negotiate individually with each and every country through which an air route is contemplated. The United States alone plans to operate its post-war airlines to 44 countries. When it is considered that many other countries have somewhat similar aspirations, the complexity of negotiations on a purely bilateral basis may readily be seen. With this complicated pattern as a background, the value and liberalizing influence of the Two and Five Freedoms agreements become even clearer.

### Provisional-Route Arrangements

The Conference offered an excellent opportunity for the participating countries to exchange views regarding the routes which they desire to operate in the near future. Whereas the Two and Five Freedoms agreements will greatly facilitate the

establishment of world-wide air routes, it will still be desirable in some cases to make bilateral arrangements, whether they be outside the framework of the Two and Five Freedoms or merely an elaboration of rights already granted under these two documents.

The Conference accordingly drafted a standard form agreement for provisional air services which can be used for bilateral (or even multilateral) negotiations. This standard agreement includes certain clauses which assure non-discriminatory practices and which make other necessary provisions for the operation of scheduled airlines. It also includes an appropriate form of annex for describing the respective routes, the airports to be used, and the extent to which transit and commercial rights are to be granted.

The standard form of agreement is aimed to assure equal treatment for all duly authorized airlines; it offers the advantage of uniform provisions agreed to by the delegations of all countries at the Conference. This form has already been used in the air-transport agreements which the United States concluded with Sweden and Denmark on December 16, 1944,<sup>8</sup> and it is the basis for additional bilateral negotiations contemplated with other countries.

#### Summary of Accomplishments

The major achievements of the Chicago Conference may be summarized as follows:

(1) The drafting of a basic and comprehensive air-navigation and air-transport convention, which also sets up an international aviation organization. This convention is expected to have general acceptance, in contrast to the past situation where there have existed two different multilateral conventions and no universally accepted organization to foster the development of international aviation.

(2) Preparation of technical annexes which reflect the latest aviation developments and which will provide for uniform standards and operating techniques throughout the world.

(3) The adoption of resolutions pertaining to miscellaneous aviation topics including several aspects of private air law and the standard form for bilateral air-transport agreements.

(4) The multilateral granting of rights of transit and commercial entry to scheduled airline services, at the same time maintaining the sovereign right of each country over its airspace. The grant of such privileges on a multilateral basis represents a great advance over the present system of obtaining such rights solely on a bilateral basis.

(5) Provision for an interim agreement and organization to coordinate and guide international aviation in the immediate future, until such time as the permanent convention and organization become operative.

Adolf A. Berle, Jr., President of the Conference and Chairman of the United States Delegation, stated that the few weeks of the Conference had advanced international aviation by two decades.<sup>9</sup> Many regard this as a conservative statement, in view of the fact that the documents approved at Chicago offer a simple means of attaining a degree of freedom in air transportation comparable to that achieved in ocean shipping only after centuries of effort.

## Relaxation of Import Controls For the Middle East

[Released to the press December 31]

A relaxation of the import controls administered by the Middle East Supply Center, to be effective January 1, 1945, was announced jointly on December 31 by the Department of State, the Foreign Economic Administration, and the British Supply Council in Washington. The changes in existing procedure are being announced simultaneously in Washington, London, and Cairo.

The most important feature of the changes which have been made is that over a wide range of items the Middle East Supply Center control over import will cease. It will be for the Middle Eastern countries to make their own arrangements with exporting countries for supply of these goods, subject only to limitations described below.

The shipping situation is still so acute as to limit total tonnage which can be allocated to meet Middle East requirements. Further, a number of commodities are still in very short supply throughout the world, and the Middle East Supply Center will continue to exercise in respect of these commodities its function of insuring that essential

<sup>8</sup> BULLETIN of Dec. 17, 1944, p. 757.

<sup>9</sup> BULLETIN of Dec. 10, 1944, p. 718.

requirements for Middle East territories are adequately and equitably met.

It has, therefore, been decided:

(a) that Middle East requirements of commodities such as cereals and fertilizers, the movement of which makes heavy calls on shipping, will continue to be estimated and sponsored by the Middle East Supply Center;

(b) that import licenses for a comparatively short list of commodities and products still in world short supply (for example, trucks, tires, and textiles) will still require the Middle East Supply Center approval, which will, where possible, be delegated to local Middle East Supply Center representatives;

(c) that for all other items the Middle East Supply Center control will be withdrawn. There will, however, still be certain limitations on uncontrolled import of supplies in this group. For example, certain exporting countries overseas may still maintain export controls, and in addition exchange-control regulations may be a limiting factor. Finally, as indicated above, the shipping situation will impose a tonnage ceiling on amount of goods that may be imported in this group.

It will, therefore, be for the governments of Middle East territories to decide what is to be imported and to insure that tonnage and supplies available are used to the best advantage and to meet essential needs.

The new plan is the first step in the gradual freeing of trade from wartime restrictions.<sup>1</sup> As the supply and shipping situation gradually loosens, the Middle East Supply Center control will be progressively withdrawn.

## Advisory Committees For Cultural Cooperation

[Released to the press December 27]

On December 27 the Department of State announced the appointment by the President of the members of five committees to advise the Department on problems of cultural cooperation during the fiscal year of 1945.

Such committees have proved of great value, particularly in our relations with the other American republics, in bringing to the Department the

viewpoint of outstanding leaders of American thought in the field of science, education, and the arts. The President and the Secretary of State expressed their appreciation of the generosity of these public-spirited citizens in contributing their time and experience in helping to plan and evaluate the broad program of international cultural interchange for which the Department, through its Division of Cultural Cooperation, is responsible.

New appointments are indicated by an asterisk; the others have served previously:

### ADVISORY COMMITTEE ON ART

- Robert Woods Bliss, 2750 Q St. NW., Washington 7, D. C.  
 René d'Harnoncourt, Museum of Modern Art, 11 West Fifty-third St., New York 19, New York.  
 David Finley, Director, National Gallery of Art, Washington, D. C.  
 Wallace K. Harrison, Harrison, Foulhoux, and Abramowitz, Philadelphia 4, Pennsylvania.  
 Grace McCann Morley, Ph.D., Director, San Francisco Museum of Art, San Francisco, California.  
 \*Thomas Munro, Curator of Education, Cleveland Museum of Art, Cleveland 6, Ohio.  
 Henry Varnum Poor, III, New City, Rockland County, New York.  
 Daniel Catton Rich, Director of Fine Arts, Arts Institute of Chicago, Chicago 3, Illinois.  
 Francis Henry Taylor, L.H.D., Director, Metropolitan Museum of Art, New York, New York.  
 \*George C. Vaillant, Ph.D., Director, The University Museum, Thirty-third and Spruce Sts., Philadelphia 4, Pennsylvania.

### ADVISORY COMMITTEE ON MUSIC

- Clifford V. Buttleman, Executive Secretary, Music Educators National Conference, 64 East Jackson Blvd., Chicago, Illinois.  
 Gilbert Chase, Supervisor of Music, NBC University of the Air, National Broadcasting Company, R. C. A. Building, New York 20, New York.  
 Olin Downes, Mus.D., Music Critic of the *New York Times*, New York, New York.  
 Nathaniel W. Finston, Director of Music Department, Metro-Goldwyn-Mayer Studios, Culver City, California.  
 Howard Hanson, LL.D., Director, Eastman School of Music, Rochester 4, New York.  
 Melville Herskovits, Ph.D., Professor of Anthropology, Northwestern University, 2016 Harrison St., Evanston, Illinois.  
 Nelson M. Jansky, C. C. Birchard and Company, 221 Columbus Ave., Boston 16, Massachusetts.  
 John G. Paine, General Manager, American Society of Composers, Authors, and Publishers, 30 Rockefeller Plaza, New York, New York.  
 \*Olga Samaroff, 24 West Fifty-fifth St., Apt. 9B, New York 19, New York.

<sup>1</sup> BULLETIN of July 30, 1944, p. 125, and Dec. 10, 1944, p. 720.

### ADVISORY COMMITTEE ON EXCHANGE FELLOWSHIPS AND PROFESSORSHIPS

- Elmer G. Butler, Ph.D., Chairman, Department of Biology, Princeton University, Princeton, New Jersey.
- \*William Berrien, Ph.D., Professor of Romance Languages and Literatures, Harvard University, Cambridge, Massachusetts.
- Stephen Duggan, Ph.D., Director, Institute of International Education, 2 West Forty-fifth St., New York 19, New York.
- \*Virginia C. Gildersleeve, Ph.D., Dean, Barnard College, Columbia University, New York 27, New York.
- Waldo G. Leland, Litt.D., Director, American Council of Learned Societies, 1219 Sixteenth St., Washington, D. C.
- Martin McGuire, Ph.D., Dean, Graduate School of Arts and Sciences, the Catholic University of America, Washington, D. C.
- Donald Young, Ph.D., Research Secretary, Social Science Research Council, 230 Park Ave., New York, New York.
- George F. Zook, Ph.D., President, American Council on Education, 744 Jackson Place NW., Washington 6, D. C.

### ADVISORY COMMITTEE ON THE ADJUSTMENT OF FOREIGN STUDENTS IN THE UNITED STATES

- Allen Blaisdell, Director, International House, Berkeley, California.
- A. J. Brumbaugh, LL.D., Vice President, American Council on Education, 744 Jackson Place NW., Washington 6, D. C.
- Gladys Bryson, Ph.D., Chairman, Committee on Exchange of Students with Foreign Countries, Smith College, Northampton, Massachusetts.
- Edgar J. Fisher, Ph.D., Assistant Director, Institute of International Education, 2 West Forty-fifth St., New York 19, New York.
- Father George B. Ford, Columbia University, New York, New York.
- Thomas E. Jones, Ph.D., President, Fisk University, Nashville, Tennessee.
- Sturgis E. Leavitt, Ph.D., University of North Carolina, Chapel Hill, North Carolina.
- \*John A. Thompson, Ph.D., Director, Division of Latin American Relations, Louisiana State University, University Station, Louisiana.

### ADVISORY COMMITTEE ON COOPERATION IN AGRICULTURAL EDUCATION

- Thomas Barbour, Ph.D., Director, Museum of Comparative Zoology, Harvard University, Cambridge 38, Massachusetts.
- \*Richard Bradfield, Ph.D., Head, Department of Agronomy, Cornell University, Ithaca, New York.
- Homer J. Henney, Ph.D., Dean of Agriculture, Colorado State College, Fort Collins, Colorado.

(Continued on page 852)

## Protest to German Government Over Killing of American Soldiers

[Released to the press December 29]

The Department of State is forwarding the strongest possible protest to the German Government through the Swiss authorities with regard to the killing by German forces near Malmédy, Belgium, of all but 15 of a group of about 130 American soldiers and officers who had been taken prisoner by a German tank corps and stripped of their equipment.

## Discussions of Dumbarton Oaks Proposals

### MEETING OF LECTURERS AND GOVERNMENT OFFICIALS

[Released to the press December 27]

Approximately 100 members and guests of the American Platform Guild, including many outstanding lecturers on international affairs, met on December 27 with the Secretary of State and ranking officers of the Department in a second off-the-record discussion of the Dumbarton Oaks proposals and other matters relating to American foreign policy. State Department participants in the discussions included, in addition to the Secretary, Assistant Secretaries Acheson, MacLeish, Dunn, and Rockefeller.

Also participating in the discussions were Leo Pasvolosky, Special Assistant to the Secretary for International Organization and Security Affairs; Edwin C. Wilson, Director of the Office of Special Political Affairs; Alger Hiss, Deputy Director of that Office; and Admiral Willson, General Fairchild, and Green Hackworth of the American Delegation to the Dumbarton Oaks Conference.

Mrs. Ruth Bryan Rohde spoke for the Platform Guild in acknowledging the welcome of the Secretary.

A previous off-the-record meeting of this nature was held on October 16 with representatives of over 100 organizations interested in world security.

## MEETING OF REPRESENTATIVES OF AMERICAN REPUBLICS AND DEPARTMENT OF STATE

[Released to the press December 29]

A further meeting of the heads of mission of the American republics in Washington was held on the afternoon of December 29 in the Department of State with the Secretary of State, Edward R. Stettinius, Jr., and other officials of the Department in order to continue discussions regarding international organization.

At the meeting the Brazilian Ambassador, Carlos Martins, presented on behalf of the Committee of Coordination, which was appointed at the November 9 meeting,<sup>1</sup> a report summarizing the views expressed by other American republics regarding the Dumbarton Oaks proposals. This report was used as a basis for discussion in the meeting. The meeting resulted in a helpful exchange of views on an entirely informal basis. A further meeting will shortly be held.

In view of Ambassador Armour's forthcoming departure for Spain, Nelson A. Rockefeller, Assistant Secretary of State, was appointed to the Committee of Coordination in his place.

## Presentation to the Department Of a Bust of Cordell Hull<sup>2</sup>

### REMARKS BY JOHN G. ERHARDT<sup>3</sup>

[Released to the press December 29]

**MR. SECRETARY:** You and all of us in the Department of State and the Foreign Service who have had the privilege of working under the inspiring leadership of Secretary Hull have wished to pay him honor in some permanent and fitting form. We have therefore joined together in subscribing for this bust by the distinguished American sculptor, George Conlon. It is a great privilege for me now to present this bust to the Department on behalf of the personnel of the Department of State and the Foreign Service.

### REMARKS BY THE SECRETARY OF STATE UPON ACCEPTANCE

**MR. ERHARDT, FELLOW MEMBERS OF THE DEPARTMENT AND MEMBERS OF THE FOREIGN SERVICE:** I consider it a high honor to accept on behalf of the Department this bust of Cordell Hull. It is a most fitting expression of the high esteem and affection which all those of us who were privileged to serve under Mr. Hull's leadership have for him.

This likeness of him will be a constant reminder of those personal human qualities of vision and courage, sincerity and integrity, thoughtfulness and kindness, which made him so beloved and inspiring a chief. Its enduring bronze is also symbolic of the lasting quality of the principles for which he stood so firmly and the important practical results which he achieved during his 12 years of service as Secretary of State. Like this bust, they will endure for generations to come as a reminder of his great services to the country and to the world.

The inscription under this bust quotes President Roosevelt's characterization of Mr. Hull as the "Father of the United Nations". We have still before us the task of completing and making permanent the United Nations structure of which Mr. Hull has been to so great an extent architect and builder.

We must succeed in creating now a permanent United Nations organization strong enough to maintain world peace after we have won this war. To work tirelessly toward that goal will be the surest demonstration that the example of Cordell Hull is always in our minds and hearts.

For this great undertaking we need a full measure of the selfless, courageous, and inspiring spirit of service to our country for which Mr. Hull is the living symbol.

## LEGISLATION

An Act Relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States. S. 938. Approved December 19, 1944. Public Law 543, 78th Cong. 1 p.

An Act To provide for the disposal of certain mail matter condemned by the Director of Censorship. S. 1471. Approved December 22, 1944. Public Law 542, 78th Cong. 1 p.

<sup>1</sup> BULLETIN of Nov. 12, 1944, p. 565.

<sup>2</sup> Dec. 29, 1944.

<sup>3</sup> Acting Assistant Secretary of State.

## PUBLICATIONS

### DEPARTMENT OF STATE

During the quarter beginning October 1, 1944, the following publications have been released by the Department:<sup>1</sup>

2167. Naval Mission: Agreement Between the United States of America and Peru Renewing, With an Additional Article, the Agreement of July 31, 1940—Effected by exchanges of notes signed at Washington January 31, February 9, March 21 and 31, 1944; effective July 31, 1944. Executive Agreement Series 396. 5 pp. 5¢.
2168. Detail of Military Officer To Serve as Director of the Polytechnic School of Guatemala: Agreement Between the United States of America and Guatemala Renewing the Agreement of July 17, 1943—Effected by exchange of notes signed at Washington January 5 and 17, 1944; effective July 17, 1944. Executive Agreement Series 397. 4 pp. 5¢.
2169. Military Aviation Mission: Agreement Between the United States of America and Venezuela—Signed at Washington January 13, 1944; effective January 13, 1944. Executive Agreement Series 398. 14 pp. 10¢.
2171. Upper Columbia River Basin: Agreement Between the United States of America and Canada—Effected by exchange of notes signed at Ottawa February 25 and March 3, 1944. Executive Agreement Series 399. 5 pp. 5¢.
2172. Radio Broadcasting Stations: Agreement Between the United States of America and Canada—Effected by exchanges of notes signed at Ottawa November 5 and 25, 1943, and January 17, 1944. Executive Agreement Series 400. 7 pp. 5¢.
2173. Naval Aviation Mission: Agreement Between the United States of America and Peru Renewing and Amending the Agreement of July 31, 1940—Effected by exchanges of notes signed at Washington January 31, February 18, April 6, April 29, and May 2, 1944; effective July 31, 1944. Executive Agreement Series 402. 6 pp. 5¢.
2177. Presidential Elections: Provisions of the Constitution and of the United States Code. 14 pp. Free.
2180. Jurisdiction Over Criminal Offenses Committed by the Armed Forces of the United States in the Belgian Congo: Agreement Between the United States of America and Belgium—Effected by exchanges of notes signed at Washington March 31, May 27, June 23, and August 4, 1943. Executive Agreement Series 395. 7 pp. 5¢.
2181. Copyright Extension: Agreement Between the United States of America and the United Kingdom of Great Britain and Northern Ireland—Effected by exchange of notes signed at Washington March 10, 1944; effective March 10, 1944. Executive Agreement Series 401. 12 pp. 5¢.
2182. Reciprocal Trade: Agreement Between the United States of America and Turkey in Accordance with Article 1 of the Agreement of April 1, 1939—Effected by exchange of notes signed at Washington April 14 and 22, 1944. Executive Agreement Series 406. 4 pp. 5¢.
2183. The Department of State Bulletin, vol. XI, no. 274, September 24, 1944. 24 pp. 10¢.<sup>2</sup>
2184. Military Mission: Agreement Between the United States of America and Ecuador—Signed at Washington June 29, 1944; effective June 29, 1944. Executive Agreement Series 408. 14 pp. 5¢.
2185. Military Mission: Agreement Between the United States of America and Peru—Signed at Washington July 10, 1944; effective July 10, 1944. Executive Agreement Series 409. 14 pp. 5¢.
2186. Construction of a Port and Port Works: Agreement and Exchange of Notes Between the United States of America and Liberia—Agreement signed at Monrovia December 31, 1943. Executive Agreement Series 411. 7 pp. 5¢.
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<sup>1</sup> Serial numbers which do not appear in this list have appeared previously or will appear in subsequent lists.

<sup>2</sup> Subscription, \$2.75 a year.

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2210. The Department of State Bulletin, vol. XI, no. 280, November 5, 1944. 36 pp. 10¢.<sup>2</sup>
2211. Diplomatic List, November 1944. ii, 123 pp. Subscription, \$2 a year; single copy, 20¢.
2213. The Department of State Bulletin, vol. XI, no. 281, November 12, 1944. 24 pp. 10¢.<sup>2</sup>
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2223. Dumbarton Oaks Documents Together With Chart and Questions and Answers. Conference Series 60. 24 pp. 5¢.
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2228. The Department of State Bulletin, vol. XI, no. 286, December 17, 1944. 36 pp. 10¢.<sup>2</sup>

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## THE DEPARTMENT

### Appointment of Officers

[Released to the press December 29]

The Secretary of State announced on December 29 the appointment of Hamilton Fish Armstrong as Special Adviser to the Secretary of State. Mr. Armstrong's first assignment will be to advise the Secretary of State and the Department on international political questions. Mr. Armstrong was appointed Special Assistant to Ambassador John G. Winant at London with the personal rank of Minister in September 1944. In this capacity, he served as adviser to Ambassador Winant on matters concerning the European Advisory Commission and worked with the Commission for a period of some three months.<sup>1</sup>

John E. Lockwood has been appointed Deputy Director of the Office of American Republic Affairs, effective December 22, 1944.

<sup>1</sup> BULLETIN of Sept. 24, 1944, p. 332.

## THE FOREIGN SERVICE

### Designation of Advisers for Mediterranean Theater of Operations

[Released to the press December 29]

John G. Erhardt has been designated Political Adviser on Austrian Affairs to the Commanding General, United States Army Forces, Mediterranean Theater of Operations, with the personal rank of Minister.

Cecil Wayne Gray has been designated Counselor of Mission in the new office to be established by Mr. Erhardt.

James L. McCamy, Executive Director of the Bureau of Areas in the Foreign Economic Administration, Washington, will be Economic Adviser in that office. He will represent both the Department of State and the Foreign Economic Administration.

### Amendments to Foreign Service Regulations

Pursuant to the passage of legislation on the Chinese Exclusion Act, certain items of the Foreign Service Regulations have been amended by Executive Order 9507 of December 20, 1944, which is printed in the *Federal Register* of December 23, 1944.

#### CULTURAL COOPERATION—Continued from page 848

- H. Harold Hume, Ph.D., Provost, College of Agriculture, University of Florida, Gainesville, Florida.
- E. J. Kyle, Dean, College of Agriculture, Agricultural and Mechanical College of Texas, College Station, Texas.
- Ross E. Moore, Ph.D., Chief, Technical Collaboration Branch, Office of Foreign Agricultural Relations, Department of Agriculture, Washington 25, D.C.
- John C. Patterson, Ph.D., Chief, Division of Inter-American Educational Relations, United States Office of Education, Federal Security Agency, Washington 25, D.C.
- Knowles A. Ryerson, Dean, College of Agriculture, University of California, Davis, California.
- Theodore W. Schultz, Ph.D., Department of Economics, University of Chicago, Chicago, Illinois.
- \*Louise Stanley, Ph.D., United States Agricultural Research Administration, Department of Agriculture, Washington 25, D.C.



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